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CONFIDENTIAL

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FURTHER CORRESPONDENCE

RESPECTING

TURKEY

PART XXXI

JANUARY TO JUNE 1936

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CONFIDENTIAL.

Further Correspondence respecting Turkey.

PART XXXI.

[E 127/127/44] No. 1.

Sir P. Loraine to Mr. Eden.—(Received January 9.)

(No. 1. Confidential.)

Sir, *Angora, January 1, 1936.*

I HAVE the honour, with reference to my despatch No. 7, Confidential, of the 1st January, 1935, to transmit to you the accompanying notes on leading Turkish personalities, which has been brought up to date in accordance with the instructions contained in Sir John Simon's circular despatch of the 28th May last.

2. It has not yet proved practicable to rearrange the biographies in the alphabetical order of the newly adopted surnames, which are, where they have been ascertainable, still placed within brackets. A considerable number of the notabilities concerned are not known to have adopted any such appellation, while, apart from the President of the Republic and the leading Cabinet Ministers, the family names which have been assumed are as yet by no means familiar or in general use, and are, moreover, liable to be changed, even more than once, at the behest of M. Atatürk or of the most influential member of some particular clan.

3. A list of the personalities who died during 1935 is also enclosed herein. There is one new biography, that of M. Cavat, Turkish Minister at Vienna.

I have, &c.

PERCY LORAINE.

Enclosure in No. 1.

Notes on Leading Turkish Personalities.

1. *Abdulhalik* (*Renda*).

Born at Yanina about 1870. Belongs to a family of Albanian Tosks. Educated at Yanina and at Mülkiye College, Constantinople. In 1908 appointed member of the Council of State. Uncle by marriage of the late Talat Pasha. In 1910–11, Vali of Skoplje (Üsküp). 1914–15, Vali of Van. For a short period in 1915 was Under-Secretary for the Interior. 1915–16, Vali of Bitlis, and 1916–17 of Aleppo. Again became Under-Secretary of the Interior, holding post until the armistice. Arrested in May 1920 and deported to Malta on charge of atrocities committed at Aleppo during the war. Learnt to play tennis and bridge at Malta. In 1923 was Vali of Smyrna, when he got on well with Europeans. In July elected Deputy for Çankiri. In January 1924 succeeded Hasan Fehmi Bey as Minister of Finance, and held post till March 1925. Resigned on fall of Fethi Bey and became director-general of the Agricultural Bank and chairman of the Parliamentary Committee of Finance. In July 1926 became Minister of Finance. He soon showed himself aware of the weakness of Turkey's financial position abroad, and visited Europe in the summer of 1927, when he was identified with an arrangement for the settlement of the "coupons" question. In September

he was re-elected Deputy for Çankiri, and in November, on the reconstruction of Ismet Pasha's Cabinet, became Minister of National Defence and Acting Minister of Marine. The latter post was subsequently merged in the former, which he retained in Ismet Pasha's Cabinet as reconstructed in September 1930. Succeeded Saracoğlu Şükrü Bey as Minister of Finance in December 1930, and retained his portfolio in Ismet Pasha's new Cabinet, May 1931. Resigned, February 1934, on account of ill-health, and in April was elected president of Parliamentary Group of People's party. Elected President of Grand National Assembly, March 1935.

Abdulhalik knows Greek and speaks fair French. He owed his early advancement to his relationship with Talat Pasha, though he was never a prominent Unionist figure. Though not possessed of brilliance, he has considerable administrative capacity, and enjoys a reputation for scrupulous honesty —a virtue which was as acceptable at the Ministry of Finance as in that of Defence, where peculation in connexion with munitions contracts had previously been rampant. Is essentially a moderate, and was the only member of the Cabinet to observe the Ramazan fast. Is a keen gardener, a good bridge player and agreeable in conversation. Was much liked by representatives of foreign business firms seeking contracts.

2. *Abidin (Özmen).*

Graduated from the Mülkiye (Civil) School in 1911, and was for many years Civil Inspector and Vali at various places, including Antalya. Appointed Vali of Brusa in June 1933. Elected Deputy for Aydin in May 1934, and appointed Minister of Public Instruction (now called "Kültür") in July. Later, on adopting a surname as required by law, dropped the first two syllables of his name, which was previously Zeynelabidin. Re-elected Deputy for Aydin in February 1935. In June resigned Ministry of Education and appointed First Civil Inspector-General.

Little is known of Abidin's personality, except that he looks gross and stupid. He was a complete failure as Minister of Education, but may be a good administrator.

3. *Ahmet Ağaoğlu.*

Born about 1864 in Russian Azerbaijan. Son of an Islamised Caucasian Jew. Educated at Moscow, and started life as a journalist. Became an *agent provocateur* to the Russian Secret Service, and organised Armenian massacres at Baku in 1904. In 1903–5 published two newspapers in Baku, but then fell into disgrace; went to Turkey and became a Turkish subject in 1908. Threw in his lot with the Committee of Union and Progress. Later, published a pro-Russian paper in Turkish, and became editor of the *Tercumani Hakikat*. In 1916 became Minister of Education, and at this time was noted for his anti-British articles. Took a part in organising the Armenian massacres. In 1918 received £T. 100,000 from the Committee of Union and Progress funds. 1919–21 interned at Malta, where he learnt some English. In June 1921 he became director of the Press Bureau at Angora, and from then onwards was a close friend of Mustafa Kemal. Was, in the past, the chief worker for closer Russo-Turkish relations, often by means of editorial articles in the officially-inspired *Hakimiyeti Milliye* of which he was one of the editors.

In the 1923–27 Assembly he was a member of the Executive Bureau of the People's party and of the Foreign Affairs Commission, as well as reporter of the Constitutional Commission. Was re-elected Deputy for Kars in September 1927 and in November became a member of the party's Executive Bureau and of the Constitutional Commission. Resigned from the People's party in August 1930 to join the new Liberal Republican party founded by Fethi Bey. Was not re-elected at the general election of April 1931, and in October was appointed professor (history of law) in the University of Constantinople, whither he removed with his family from Angora.

Ağaoğlu is a short man with heavy eyebrows and dark glasses. He recalls the storied one-eyed mule of hideous aspect, but that aspect is benignant, and in his riper years tends to belie the lurid record of his youth. He was the "character" of the Grand National Assembly, and loves nothing so well as a joke, even at his own expense. He was seen occasionally in Angora society accompanied by his blue-stocking, English-speaking daughters, who are no more

attractive in appearance than their father. Speaks Russian, French, Persian and Turkish. Since the summer of 1926 his articles had become less hostile to Great Britain, and, in conversation, he delights to expatiate on the charm of English life, particularly as led at Oxford.

4. *Ali (Çeytinkaya).*

Born about 1875 at Afyon Karahisar. Educated at the Constantinople Military School. Commanded a battalion at Çatalca during the Balkan war, and served in the Great War as a colonel. Organised resistance to the Greeks at Ayvalik in 1919. Was elected a Deputy for Constantinople in December, and remained there to attend the debates till March 1920, when he was deported to Malta. Released a year later, he at once took his seat in the Angora Assembly. After his re-election in 1923 he became one of the chief organisers of the People's party, and in November 1924 was elected vice-president of the executive bureau of the party, a position which he still fills. In March 1925 he was appointed president of the Angora Independence Tribunal; soon afterwards shot with impunity a fellow Deputy in the Chamber, and unconcernedly passed death sentences till the Independence Tribunals were abolished early in 1927. 1925–27 was president of the Defence Commission of the Assembly, and in November 1927, on his re-election as Deputy for Afyon Karahisar, became a member of the Budget Commission. Appointed Minister of Public Works, February 1934.

Ali, known as the "bald-headed," is a curious phenomenon, for, in spite of his record, he is attractive. Until recently only spoke Turkish, but for some years has been studying English, which he speaks haltingly, but reads with a certain facility. He has an engaging smile, and was once very aptly described by a British visitor to Angora as resembling "a benevolent Scotch elder." During the summer of 1927 rumour was busy with his name as a possible successor to Ismet Pasha. It is doubtful if he could have filled the bill, though his surprising honesty could not have failed to be an asset. He is not a conversationalist. As Minister of Public Works has taken up truculent attitude towards foreign concessionary companies, which he has been endeavouring, with considerable success, to force to sell out on terms favourable to the Government.

5. *Ali Cenani.*

Born about 1880 at Ayintap (Gazi Antep), which he represented in the Constantinople Parliament, being for a time reporter for the budget. Was deported to Malta in 1919 on a charge of complicity in the massacres of Armenians at Ayintap. On being released he joined the Kemalist movement, and has been Deputy for Ayintap since 1921. In November 1924 became Minister of Commerce. In 1925 his commercial legislation showed that he was leading the ultra-Nationalist movement against Christian employees and foreign capital. In May 1926 he resigned owing to reported differences with the Minister of Finance. He nevertheless continued to the influential, and for two years was the chief Turkish delegate for commercial negotiations with foreign countries, being responsible in particular for the Turco-Russian Commercial Treaty of March 1927. Became reporter of the Budget Commission in November 1927, but fell from grace early in 1928, when he was tried by the High Court for a misuse of public funds while Minister of Commerce. Was heavily fined, but his sentence of imprisonment was commuted. After reappearing in influential circles, left Turkey for Damascus in mysterious circumstances in December 1929. Though reported to owe £T. 100,000 to the Turkish Government, he once more reappeared at Angora, where his past seemed in a fair way to being forgotten, but he was not re-elected at the general election of April 1931.

Ali Cenani was for long the leading business man in the Ayintap area, and in business circles was considered honest and go-ahead. Much of his property is now in Syria, and he has frittered away most of his considerable wealth. He is a poor speaker, of jaundiced appearance, and has been described as active, resourceful and wily. He plays a vigorous, but not very good, game of bridge. His two daughters have received an American college education, and his son, who is in the diplomatic service, was educated at the English High School in Constantinople.

6. *Ali Fuat, General.*

Born in Constantinople in 1882. Grandson of the renegade German who was Turkish delegate at Berlin Congress. Graduated from the military school

in 1905. 1908–11, military attaché at Rome. During the war fought on the Caucasus and Palestine fronts. Was one of the first Turkish generals to join the Kemalist movement, and was one of Mustafa Kemal's most trusted leaders until his tendency to take an independent line in the field led, late in 1920, to his appointment as Kemalist Ambassador at Moscow, where he was chiefly instrumental in securing the signature of the Turco-Russian Treaty of March 1921. Was recalled in April 1922 owing to an incident in the Embassy in Moscow, and resumed his military command. In 1923 was elected Deputy for Angora and Vice-President of the Assembly. Later became inspector-general at Konya, but resigned his post in October 1924, by which time he had become completely associated with the Rauf–Adnan–Refet Opposition group. In November he resigned from the People's party and became secretary-general of the new Progressive party. In 1926 was arrested and tried at Smyrna for participation in the alleged plot against Mustafa Kemal, but was acquitted. His reception by the President in November 1926, and again early in 1927, gave rise to a rumour that Ali Fuat was returning to the Kemalist fold, but this was not confirmed, and he ceased to be a Deputy in September 1927. Lived in retirement until June 1933, when he stood as independent candidate for Konya, with the Gazi's full approval, and was unanimously elected Deputy, Ismet Pasha having issued a manifesto to the electors praising Ali Fuat for services rendered to the national cause, and declared he had "followed the same path as the Gazi." Since re-election has taken little or no part in parliamentary life.

General Ali Fuat has a reputation for honesty. During the war was not on good terms with the German commanders, and during the armistice period was believed to be violently anti-British, but he was on good terms with the British mission in Moscow.

7. *Ali Sait* (*Akbaytuğan*), *General*.

Born near Bandirma (Panderma) in 1874, of Circassian origin. Graduated from the Military College in 1898, and held several minor staff appointments till 1907, when, with the rank of major, he was sent to the Yemen. Returned to Constantinople in 1909, and in 1913, during the Balkan war, was in charge of the lines of communication. Was then for a time control officer on the Anatolian Railway until January 1914, when he was promoted colonel and posted to Sanaa, in the Yemen, where he remained until some time after the 1918 armistice, when he was finally induced to surrender to the British authorities at Aden, whom he had fought for four years, during most of which he was out of touch with his Government. Interned in Egypt for a short time, Ali Sait Pasha, who had now been promoted general, returned to Constantinople early in 1919 and was Military Governor of the capital till March 1920, when, on the occupation of the town, he was deported to Malta. Immediately after his release in October 1921 he joined Mustafa Kemal, and in the following year he succeeded Kâzim Karabekir Pasha as General Officer Commanding the Eastern Army. In October 1924 he was appointed Inspector-General of the First Army Area, and later of the Third Area. Was promoted to be a general of the first class in August 1927. Relinquished his inspectorate and was appointed member of the Supreme Military Council in September 1935.

General Ali Sait is pleasant, courteous and has a well-modulated voice. Was probably at one time decidedly pro-British, and still is, as he says, "in the interests of his country," but he chooses to forget rather than to forgive his treatment at British hands. Not a strong personality and takes no part in politics, but is interested in Iraq oil to such an extent that on an Angora ball-room floor he produced to a member of the Embassy a largish map, on which the position of his wells was clearly shown. Speaks a little English, a consequence of Malta, where he also learnt to play tennis. Both he and his massive wife used to be very popular in Angora society, but, when the attendance of military officers at social functions was vetoed in March 1928, they transferred their domicile to Constantinople.

8. *Asim* (*Gündüz*), *General*.

Born about 1882 in Constantinople. Passed out of Military College in 1902 with rank of staff captain, and was attached to the Imperial Guard. From 1907 to 1909 served on staff of Monastir division. In 1909 appointed to General Staff. Pursued a course of military studies in Germany from 1912 till January 1915, when on his return he was attached to Turkish General Headquarters, remaining

there till end of war. Again in Germany 1918–19. In November 1920 became chief of the Intelligence Section of the General Staff, but soon after threw in his lot with the Nationalists and became Chief of Staff to Fevzi Pasha. In November 1924 became General Officer Commanding the IXth Army Corps, in August 1926 was promoted Divisional General and later commanded the 7th Corps. In October 1928 was appointed sub-chief of the Turkish General Staff. Went to Bucharest and Belgrade in November 1935 to take part in consultations regarding military commitments arising out of the Balkan Pact.

General Asim is a tall, dark man of slight build and has a very pleasant manner. He has the reputation of being hard-working, strict, accurate and given to great financial economy. He got on well with his German superiors during the war, speaks German well, and knows some French.

9. *Behiç*.

Born about 1880. An ex-colonel. In 1924 was chief administrator of the Anatolian Railway, a post in which he showed considerable ability and energy. In December 1925 became a Deputy for Constantinople and a month later Minister of Public Works. As a Minister he was a pronounced success, and showed great capacity in organising the existing railways and in dealing with the somewhat grandiose construction schemes of the Government. Resigned October 1928, nominally on grounds of ill-health, and was immediately afterwards appointed Minister at Budapest.

10. *Cafer Tayar, General*.

Born in 1883 at Prishtina, of poor parents. Educated by the charity of an Albanian, who sent him to the military school. Saw service in Macedonia, and in 1907 became a member of the Committee of Union and Progress. Served at the Dardanelles, and in 1918 had command of the forces in Northern Caucasus. Early in the armistice he showed himself violently anti-British, and formed a military organisation at Adrianople, with which, in 1920, he threatened to resist the occupation of the town by the Greek army. From then onwards was known as the hero of Adrianople, for which, since 1920, he had been the senior Deputy. In 1924 he commanded the troops in the Eastern vilayets, but his enthusiasm for Mustafa Kemal began to cool, and in October he resigned his military duties to take up those of a Deputy. In July 1926, along with Ali Fuat, Refet and Kâzim Karabekir Pashas, was arrested and tried at Smyrna for participation in the alleged plot against Mustafa Kemal, but was acquitted, largely, it is understood, owing to the fear of the authorities of his influence with the army. Ceased to be a Deputy in September 1927, and since then has been little heard of. Was sharply attacked in the Gazi's lengthy review of the revolution in 1927.

Cafer Tayar is a strong patriot, just and honest, and, as a result of his Adrianople experiences, became violently Græcophobe.

11. *Cavat, Ahmet*.

A diplomat *de carrière*, born about 1887. After serving in London, Vienna and elsewhere, became a Director in the Fourth Department of the Ministry for Foreign Affairs at the end of 1926. Appointed Chargé d'Affaires at Prague a year later. Counsellor, and Director-General of the Second Department of the Ministry, in 1929. Accompanied the Minister for Foreign Affairs to the European Union Conferences at Geneva in 1931, and in August of that year became Director-General of the First (British) Department of the Ministry. Was Acting Under-Secretary of State for Foreign Affairs in December 1931 and January 1932. In 1933 accompanied Saracoğlu Şükrü to Paris for public debt and Ottoman Bank concession negotiations. Appointed Minister at Vienna in the autumn of 1934.

Ahmet Cavat, though insignificant in appearance and possessed of a squeaky voice, is a first-class man professionally, and has always shown himself friendly to His Majesty's Embassy. His wife, who is from Smyrna, speaks English fluently.

12. *Celal* (*Bayar*).

Born about 1880. Before the War of Independence was cashier in the Brusa branch of the Deutsche Orient Bank. Joined Mustafa Kemal at an early stage, and served with distinction in the Nationalist Army. In 1923 was elected Deputy for Smyrna, which he has represented ever since, and was appointed Minister of

National Economy the same year. In March 1924 became Minister of Reconstruction (for the settlement of refugees) in Ismet Pasha's second Cabinet, but resigned in July to become Director-General of the Iş Bankasi on the recommendation of the Gazi. In August 1928 went on a tour of the Turkish Black Sea ports to study the possibilities of that region and investigate the causes of its poverty. In November 1928 was elected member of the Foreign Affairs Committee of the Grand National Assembly, and again in November 1930. In December 1931 was elected vice-president of the Supreme Economic Council, and in January 1932 accompanied the Minister for Foreign Affairs to Tehran, to study Persian economic conditions with a view to the establishment of a branch of the Iş Bankasi. In September 1932, at the height of the financial and economic crisis, finding his bank's operations hampered by the Government's exaggerated policy of State control of trade and industry, Celal went direct to the Gazi, with the result that he was appointed Minister of National Economy (a post of much greater importance than in 1923), in succession to Mustafa Seref, to the great relief of the local business world, but the expectations then raised were not fulfilled, least of all where British trade was concerned. Went to Athens with Numan in May 1933, to negotiate commercial agreement (signed the 9th May) and establish cordial relations with Tsaldaris Government. In June accompanied Tevfik Rüştü to London as "second head" of the Turkish delegation to the Economic Conference. On this occasion visited also Paris and Berlin and negotiated "clearing" agreements with French and German Governments.

Celal, who is married, is of a serious and retiring disposition, and is a hard worker, with, apparently, few if any interests outside his work.

13. *Celal Nuri.*

Born about 1880. A journalist; manager of a Young Turk newspaper in Constantinople in 1906. Expelled shortly after, and only returned after the Constitution, when he began to publish his paper, *Ileri*, which continued to appear till 1925. Was subventioned by the Germans during the war. In the early armistice ran his paper as a Kemalist organ until he was deported to Malta in March 1920. Shortly before, he had been elected Deputy for Gallipoli. Was released in March 1921 and at once took his seat in the Angora Assembly. Has since been a member of the Constitutional Commission of the Assembly, in 1922 being president, reporter in 1923 and secretary in 1930. During the constitutional crisis in March 1924 he was a warm supporter of the proposal to accord dissolution and veto powers to the President of the Republic, but the proposal was defeated. In September 1927 was elected Deputy for Tekirdağ (Rodosto) and in November, while still retaining membership of the Constitutional Commission, became reporter of the Drafts Commission of the Assembly. Re-elected Deputy for Tekirdağ in April 1931. Founded the *Yilmaz* newspaper, but disclaimed responsibility for it when it began attacking the Government in June 1931 and was subsequently closed down. Not re-elected Deputy in the general election of 1935.

Celal Nuri is something of an intellectual, clever and an intriguer. He is supposed to have Communist leanings, but was for some time chiefly active in an anti-Greek campaign nominally on behalf of Turkish non-exchangeables.

14. *Cemal Hüsnü.*

Born about 1887. An ex-officer. Was Deputy for Gümüşane 1925–30. 1927–28 was reporter of Assembly Commerce Commission, and became a member of the Foreign Affairs Commission. In March 1928 became chief Turkish delegate for the exchange of populations, and in November of the Foreign Affairs Commission of the Assembly. Appointed Minister of Education in April 1929, and Minister at Berne in September 1930, when he resigned his deputyship. Was member of Turkish delegation to Disarmament Conference in January 1932, and subsequently, and is now head of permanent Turkish delegation at Geneva, where he spends most of his time, while retaining post as Minister at Berne.

Cemal Hüsnü is pleasant to talk to, speaks fair French and plays a fair game of bridge. He is, however, very impetuous, and on several occasions nearly torpedoed the Græco-Turkish negotiations. Is unmarried.

15. *Cemil (Uybadun).*

Born about 1885. Has followed a military career. About 1906 was commandant of the garrison at Salonica, and at that time saved Mustafa Kemal from arrest by Abdulhamit's secret police. During the armistice, when he held the rank of staff lieutenant-colonel, was in command of the defence forces against the Greeks at Catalca. In July 1923 elected Deputy for Tekirdağ (Rodosto). In May 1924 appointed general secretary of the People's party, and in January 1925 became Minister of the Interior. Though for a time he did well and exercised considerable influence, his position became weakened early in 1927 owing to alleged irregularities in connexion with Government contracts, and, though re-elected Deputy in September, he ceased to hold ministerial rank on the reconstruction of Ismet Pasha's Cabinet in November 1927. In the same month he became a member of the Foreign Affairs Commission. Re-elected Deputy for Tekirdağ in February 1935. Is one of the two vice-presidents of the People's party and chairman of the Internal Affairs Commission.

Cemil is reserved and intelligent, and speaks only a little French.

16. *Cemil (Bilsel), Professor.*

Born about 1880. Has followed a legal career and specialises in international law, on which he is now the recognised Turkish authority. Was chief adviser to the Turkish delegation before The Hague Tribunal in 1927 in connexion with the "Lotus" incident, in which judgment was given in favour of Turkey. From 1922 to 1924 was one of the chief movers in a Turkish association for supporting the League of Nations, and in October 1924 attended the congress of League of Nations Societies in London. In 1931 was appointed member of the Permanent Conciliation Commission formed in accordance with the arbitration treaty with Germany of 1929. Was also appointed member of The Hague International Permanent Arbitration Court. At the end of 1932 took a leading part in founding the Turkish branch of the League of Nations Union. Appointed rector of Istanbul University in summer of 1934.

Professor Cemil is quiet, reserved and almost entirely absorbed in his studies. His family have received a European education. Is a keen gardener. Somewhat brusque of manner. Speaks French.

17. *Cevat, General.*

Born in Constantinople in 1873. Educated at the Galata Saray School and at the military school. In 1893 aide-de-camp to the Sultan. Later, sent to Germany to complete his military studies, and on his return secured rapid promotion owing to his father's influence at the palace. In 1913 appointed General Officer Commanding the Dardanelles Defences, and was in command of the Palestine army at the time of the Turkish collapse in 1918. In November 1918 became Chief of the General Staff, and in December was Minister for War. Obstructed the Allies during the early armistice, and from the first was one of the strongest and cleverest of the Nationalist supporters in Constantinople. From October 1919 till January 1920 was again Chief of the General Staff. In March 1920 was arrested and deported to Malta. Released in October 1921, he at once proceeded to Angora, and in January 1922 was given the command of the Turkish troops near the Iraq frontier. Elected Deputy in July 1923, he took no part in the proceedings of the Assembly, having in the meantime been appointed Military Inspector-General in the Eastern Provinces. In October 1924 was in supreme command of the Turkish forces on the Iraq frontier when the *status quo* difficulty arose. Later in the month he resigned from his military duties, in order to take up his deputyship. Resigned from the latter two months later. In January 1925 was attached to the Iraq Frontier Commission in the capacity of assessor, and showed himself petulant and irascible. In September and December was attached to the Turkish Mosul delegation to Geneva. In April 1926 became a member of the Supreme Military Council, and in August was promoted to the rank of general of the first class. In November 1930 went to Geneva as military adviser on Turkish delegation to Preparatory Disarmament Conference, and subsequently attended the Disarmament Conference in the same capacity.

General Cevat knows French and German well. Is very Germanophil and something of an opportunist. Has good manners, is well educated and a capable administrator. He is old-fashioned, drinks little and says his prayers, but was stated to be jealous of Mustafa Kemal, who served under him at the Dardanelles.

18. *Cevat Abbas.*

Born about 1890. Early in 1919 became aide-de-camp to Mustafa Kemal, and at the same time was elected Deputy for Bolu. Had control over the

activities of the Nationalist secret agents throughout 1920. In July 1921 went on a mission to Bulgaria with a view to organising trouble in Thrace, and in December became unofficial Kemalist representative at Sofia. He returned to Angora early in 1922, and in the autumn was one of the instigators of the Turkish insurrectionist movement in Western Thrace directed against Greek rule. In 1923 was re-elected Deputy for Bolu, and at the end of the year there was much talk and intrigue in regard to his proposed definite appointment as Turkish Minister at Sofia. In 1924 was president of the Turkish Aeroplane Association, in the interest of which he showed great activity. Was re-elected Deputy in September 1927, April 1931 and February 1935, and since November 1927 has been a member of the Foreign Affairs Commission of the Assembly. In December 1931 became deputy chairman of board of directors of Turkish company exploiting notorious drug factory, since closed down, at Kuzguncuk on the Bosphorus. Maintains close contact with the President of the Republic.

19. *Edip (Tör).*

Born at Constantinople in 1879. Son of Servet Pasha. Left the military college in 1898. Served with the Salonica army and in Thrace till he entered the Staff College in 1909. In 1911 was attached to the Yanina Regiment, and in 1913 promoted major. Held a staff appointment during the Balkan war, and was on the military staff of the Turkish delegation to the 1913 Peace Conference in London. Later in the year was for a few months chief aide-de-camp to the heir apparent. Served during the Great War at the Dardanelles, in the Caucasus and in Palestine, and in 1917 was director of the Military Press Bureau. In March 1918 was a member of the Turkish mission sent to Roumania to conclude peace. During the armistice was a member of the Armistice Commission and director of Prisoners of War Section, and joined Mustafa Kemal in June 1920. Was afterwards chiefly engaged in arranging the supply of munitions, and in 1922 was for a time member of the Turco-Syrian Frontier Delimitation Commission. In November became Military Commandant of Constantinople and Acting Governor of Pera. In November 1925 became Deputy for Constantinople. In 1926 he represented Turkey at the Islamic Congress at Mecca, and made history by appearing in a bowler hat. In 1927 was a member of the Foreign Affairs Commission, and is now a member of that for Economic Affairs. Elected member for Gümüşane, May 1931 and again in February 1935. In April 1933 was Turkish delegate to the International Parliamentary Economic Conference at Rome. Is a leading member of the board of the Iş Bankasi and Balya Karaydin Company, and was grand master of the Angora Lodge of Freemasons until the suppression of freemasonry in Turkey in 1935.

Edip is short, stout and jovial, with a face like the rising sun. On the rare occasions when, in the early hours, it has approached its zenith, he shows a taste for opera and old Turkish songs, and has a good voice. Though not involved so deeply in politics as are his companions, he is in great favour with the President of the Republic, and influential. Is an intimate friend of Saffet (*q.v.*). While not appearing bright, he is shrewd and sharp, and probably does more hard thinking than any of the coterie. Speaks French, Italian, Russian and German. Is hospitable, with a naïve courtliness of manner and a passion for doing things right and urging his friends to do likewise. Is perhaps the most popular Turk in Angora.

20. *Enis, Mehmet.*

Born about 1887. From 1907 until the Great War was an official of the Ministry of Interior. Became vice-consul at Ancona during the war, and in 1925 was counsellor at Moscow. In 1926 became Director-General of Political Affairs at the Ministry for Foreign Affairs, in October was given the rank of Minister and in November 1927 became Under- Secretary for Foreign Affairs. Appointed Minister at Athens in 1929 and Ambassador at Tehran in the summer of 1934.

Enis is pleasant and capable. In spite of indifferent health, he for some time carried the entire burden of the Foreign Ministry, and was universally liked by all who came in contact with him. Is straightforward and honest. The organisation of the Foreign Ministry out of complete chaos was due almost entirely to him, and his departure was generally regretted by the foreign diplomats at Angora. His wife is attractive.

21. *Ercüment Ekrem.*

Born about 1888, the son of Recai Ercüment Bey, the Turkish poet. Appointed secretary at the Turkish Legation at Athens. Was recalled by Abdulhamit on suspicion of intriguing with disloyal elements. Later appointed to Bucharest. Was Mayor of Pera during the armistice. In 1923–24 was Director of Press in Angora. In March 1924 became private secretary to President of Republic, but fell foul of the President's wife, and in April became Assistant Prefect of Constantinople. Was dismissed in August, and remained unemployed till September 1927, when he again became Director of Press at Angora until appointed (July 1931) counsellor at Warsaw, to act temporarily as Chargé d'Affaires.

Ercüment Ekrem is a short, stout man of a disagreeable type. He is certainly clever, but not at all to be trusted. Speaks fair English.

22. *Esat.*

Born in Verria (Macedonia) in 1874. Educated in the Harbiye School and graduated in 1894. Gazetted to the Vth Army (Syria). In 1898 entered the Harbiye (Military) School, where he occupied different functions for twelve years. After the proclamation of the Constitution he proceeded to Germany in order to complete his studies. In the last phase of the Balkan war he was commander of the 93rd Regiment, and during the Great War commander of the 26th Division. He was pensioned at his own request when he was colonel and president of the military section (Harbiye Dairesi). Became afterwards chairman of the board of directors of a commercial venture, the Ordu Donanma Pazari (Army and Navy Stores), administrative counsellor of the telephone company, member of the Constantinople Municipal Assembly, and was elected Deputy for Brusa. He knows three foreign languages, and has occupied himself for many years with the study of pedagogy. Appointed Minister of Education in Ismet Pasha's Cabinet, September 1930, and retained the post in Ismet Pasha's new Cabinet, May 1931. Resigned September 1932 to make way for the more active and zealous Reşit Galip Bey (since deceased), and was soon after elected a Vice-President of the Grand National Assembly. Re-elected Deputy for Brusa, but not Vice-President of the Assembly, in 1935.

23. *Fahrettin (Altay), General.*

Born at Constantinople in 1881. Educated at the military school, where he was a class-mate of Enver Pasha. 1909 in command of troops against the Kurds, near Dersim. Later became an active Committee of Union and Progress adherent and in 1910 chief aide-de-camp to the War Office. Held various staff appointments before becoming Under-Secretary for War in 1915. In 1916 commanded the Turkish division in Galicia, and in 1918 served on the Palesine front. In 1920 was a colonel in command of the Imperial troops at Konya. Joined the Nationalist cause in the summer of that year. Later in 1920 secured the command of the XIIth Army Corps, which he retained until the final success of the Turks over the Greeks. In 1923 was elected Deputy for Smyrna and became commander of the Vth Army Corps. In October 1924 resigned his deputyship on opting for military duties. In November 1924, on the resignation of Ali Fuat Pasha, became one of the three military inspectors-general, and in August 1926 was promoted divisional-general of the first-class, thus holding a higher rank than any of the Opposition Pashas. Was attached to the King of Afghanistan during the latter's visit to Angora in May 1928. On the 1st January, 1931, was appointed military commander of the district (Manisa and Balikesir) placed under martial law in consequence of the reactionary incident at Menemen. In June 1934 met Shah of Persia and accompanied him to Angora, and in October went to Persia as head of a mission to arbitrate on Perso-Afghan frontier dispute.

General Fahrettin is a tall, well-built man and a good type. He has been described as a rough diamond, but is honest, and, next to Marshal Fevzi, probably carries most weight in Turkish military circles.

24. *Falih Rifki (Atay).*

Born in 1894 at Constantinople and educated at Galata Saray College, where he was later a teacher. Was secretary to Cemal Pasha in Syria during the war, after which he took up journalism and for a time wrote articles for the *Ententist Akşam.* In 1920 joined Mustafa Kemal and wrote for the Nationalist press. Since 1923 has been Deputy for Bolu, and in the 1923–27 Assembly was secretary

of the Foreign Affairs Commission. In the summer of 1927 he went to Rio de Janeiro as chief Turkish delegate at the International Parliamentary Congress, and returned deeply impressed by the advantages to be derived from an Anglo-Saxon, as opposed to a Latin, education. Throughout 1928 he continued to be in great favour, and in May was one of the Turkish delegates to the International Press Congress at Cologne. On his return he became president of the Commission for the Reform of the Turkish Alphabet, and, after the Gazi, has probably done more than anyone else to secure the general adoption of the new script. He owns the concession for the *Hakimiyeti-Milliye* and was a former director of the Anatolian Agency. In September 1930 visited Moscow in the company of the Minister for Foreign Affairs, and in April 1931 went to Albania on a mission connected with Balkan Union. In 1933 was member of Turkish delegations to Disarmament Conference in Geneva and Economic Conference in London. Is one of the leading exponents of "new Turkish," in which he habitually contributes leading articles to the semi-official *Ulus* as the *Hakimiyeti Milliye* is now called. Elected Deputy for Angora in February 1935.

Falih Rifki is, at the same time, the youngest and the wildest of the President's boon companions. He is frank, has a fair knowledge of French, and is an ardent Westerner. Has tremendous driving power, but is a heavy drinker, and this and other excesses are unfortunately already beginning to tell their tale. An excellent bridge player.

25. *Ferit, Ahmet.*

Born at Brusa in 1875. Passed through Harbiye Military College in 1898 with rank of captain. Later went to Paris and studied at School of Political Science. Only returned to Turkey after 1908. Joined the Committee of Union and Progress and became Deputy for Kütahya. In 1910 joined the *Entente* libérale party, and was exiled by the Committee of Union and Progress in 1913 to Tripoli, where he met his future wife. He made his peace with Talat Pasha in 1915 and became consul-general at Kiev in November 1917. Recalled in December 1918, he resumed attacks on the Committee of Union and Progress. In 1919 was Minister of Public Works and of Finance under Damat Ferit Pasha. He resigned in July owing to his desire to reach an understanding with Mustafa Kemal. Joined the Nationalist cause in April 1920, was immediately elected a Deputy in the Angora Assembly, and soon afterwards became Minister of Finance. In September 1920 attended the Baku Congress and soon afterwards appeared rather pro-Bolshevik. In November 1921 was appointed representative of the Angora Government at Paris, which post he held till February 1923, when he was recalled because of certain offensive remarks made regarding the Allies. In spite of opposition in the Assembly, he became Minister of the Interior in October 1923. Was the subject of many attacks both in the Assembly and the press, but continued to hold the post till May 1924. Appointed Ambassador at London in June 1925. Was summoned to Angora in December 1930, with his colleagues at Paris and Berlin, to consult with the Government and the Gazi on the financial and general situation when it was rumoured that he would be appointed Minister of Finance in place of Saracoglu Şükrü Bey. This, however, did not materialise. Unexpectedly transferred to Warsaw in May 1932.

Ferit speaks good French and Arabic and a little English. A thorough opportunist and rather unscrupulous. Wife is attractive and helped him to make something of a success of the London Embassy.

26. *Fethi (Okyar).*

Born at Ohrid, Macedonia, in 1877. Graduated from military school in Constantinople in 1903 and saw service in Macedonia. Became an ardent Committee of Union and Progress adherent and took charge of Abdulhamit on the expulsion of the latter to Salonica. 1910–13, military attaché at Sofia, and 1913–17, Minister there. Was for a short time Minister of the Interior in autumn of 1918, and soon after was deported to Malta for political reasons. Released in April 1921 he proceeded at once to Anatolia and became Minister of the Interior. In July–August 1922 proceeded on a mission to Paris and London. In 1923 elected Deputy for Constantinople, and during two months was President of the Council of Ministers, which post he resigned on emergence of republican issue. In November became first President of the Assembly. In March 1924 was regarded as being identified with the Opposition when the question of the President's powers was under consideration. In May chief Turkish delegate

for Mosul discussions in Constantinople. Represented Turkey before the League of Nations in September and later proceeded to Brussels again in connexion with the Mosul question. Became President of the Council for the second time, and in November also held the portfolio of Defence. His period of office was marked by moderation, and he had the support of the Oppositionist Progressive party. In March 1925, on the outbreak of the Kurdish revolt, his Government fell because of his alleged lukewarmness in dealing with the rebels, and in the same month he was appointed Turkish Ambassador in Paris. Resigned his post in August 1930, when he reappeared in Turkey as the founder of a new political party—the Liberal Republican—with the full approval of the Gazi, probably even by his order. To facilitate his entry into the Assembly, was returned unopposed as Deputy for Gümüşane. Was obliged, by failure of presidential support, to dissolve his party in November, but retained the Gazi's friendship, and they were much together during the annual festivities at Angora, October–November 1931 and on subsequent occasions. Did not stand for re-election at the general election of 1931, and was living in retirement at Constantinople when, in March 1934, he was appointed Ambassador in London on the personal initiative of the President of the Republic.

Fethi has Mongol features. He is pleasant to talk to, speaks good French, and is essentially a moderate. He has an attractive English-speaking wife, and his daughter is being educated at the English High School for Girls, Constantinople. There is evidence that even from Paris he exercised no little influence at Angora, and a visit which he paid to the capital in 1928 had much to do with the Turkish acceptance of the Ottoman debt settlement.

27. *Fevzi (Çakmak), Field-Marshal.*

Born in Constantinople in 1874. Graduated from the military college in 1898. Saw service in Macedonia. From then until 1913 held numerous staff appointments. During the war fought at Gallipoli, in the Caucasus and in Palestine, and was Chief of the General Staff 1918–19. In November 1919 was sent on a mission to Anatolia by the Constantinople Government and established relations with Mustafa Kemal. Held the portfolio of War in Constantinople Government during February and March 1920. He was throughout in close touch with Mustafa Kemal, and on his resignation he went to Anatolia and was at once appointed Minister for National Defence. Played a large part in building up the Kemalist army and in organising transport and the production of ammunition. In 1921 he became, for a time, a back number, but later re-established his position and became Chief of Staff. In 1923 was elected Deputy for Constantinople, and since then has been annually reappointed Chief of Staff. Resigned his deputyship in October 1924 on opting for military duties. In the autumn of 1927 was suffering from diabetes and went to Europe for a cure. Since then his health has much improved.

Fevzi Pasha had the confidence of Enver Pasha during the Great War, and later of Mustafa Kemal. Reputed to be a capable officer, especially in matters relating to administration. Regarded by Halide Hanim as a good soldier, but nothing more. Has considerable influence with the army. Was in his time a pan-Turanian as well as a pan-Islamist, and on the abolition of the Caliphate was regarded as the only rival of Mustafa Kemal, of whose manner of life he was understood strongly to disapprove. Was regarded as the leader of the war party at Angora during the Mosul crisis. Is somewhat old-fashioned and keeps his womenfolk secluded, but he is now seen more in public than formerly. Speaks a little French and is pleasant to talk to.

28. *Fuat (Ağrali).*

A son of Ethem Efendi, a former defterdar of Adrianople Vilayet. Was a finance official by profession and a keen Unionist in politics. Elected Deputy for Constantinople in 1926 and 1927. In November 1927 elected member of Finance Committee of Assembly, and a year later vice-chairman of Budget Committee. Resigned this position in January 1929 on appointment to presidency of Cour des Comptes. In November 1929 elected chairman of Budget Committee and member of executive bureau of People's party. Did not stand at the general election of 1931, but was returned at a by-election as Deputy for Elaziz in October 1933, and was appointed Minister of Public Works shortly afterwards. Became Minister of Finance in February 1934. Little is known of Fuat's personal characteristics, and even since his promotion to Cabinet rank he remains practically unknown to Angora society.

29. *Hakki Sinasi, General.*

Born at Constantinople in 1868, the son of a Foreign Ministry official. Studied first at the naval, and afterwards at the medical, school. Followed medical courses at Berlin, Heidelberg and Munich. While a doctor at the Hamidiye Hospital in 1904 was expelled to Anatolia. On his return in 1906 was reinstated with rank of colonel, and later promoted general. Retired in 1918, and from then till 1924 occupied himself with municipal affairs. In November 1924 became a Deputy for Constantinople, and was in 1927–28 chairman of the Public Health Commission of the Assembly. In September 1925 was Turkish Red Crescent delegate at the International Red Cross Conference at Geneva. In March 1928 became chief inspector of the People's party for Constantinople, and in the late summer mediated successfully in a Constantinople tramway strike. Elected a Deputy for Erzerum in April 1931, and for Constantinople in February 1935.

30. *Hamdi, Mehmet.*

Born about 1880. During the armistice was head of the Refugee Section of the Ministry of Interior in Constantinople. In 1923 was elected Deputy for Erzincan. In 1924 was assistant Turkish delegate for the exchange of Turco-Greek populations, and in 1923 became chief delegate on the appointment of Tevfik Rüştü Bey as Minister for Foreign Affairs. Negotiated the Turco-Greek Agreement of 1925, and in June was appointed Minister at Vienna. Transferred to Berlin as Ambassador in May 1934. Short and stoutish, Hamdi speaks French fairly well and is intelligent and moderate.

31. *Hamdullah Suphi (Tanriöver).*

Born at Constantinople in 1881. Educated at Galata Saray College. In 1901 entered Ministry for Foreign Affairs as a clerk. Remained there till 1908, occupying himself in writing poetry. After the Constitution continued his literary efforts, and was the founder of a society of young poets which developed into the Turkish Ojaks. In 1910 appointed Professor of Turkish Literature at the Constantinople University. Was for a time in opposition to the Committee of Union and Progress, but after the Balkan war was on good terms with the Unionists. Later became the leading propagandists of pan-Turanianism. Travelled in Germany during the war. In the early armistice was anti-British and pro-Italian. In April 1920 joined Mustafa Kemal at Angora. Later in the year was for a time head of the Kemalist Intelligence Service. January–April 1921, Minister of Public Instruction. In April became Vice-President of the Assembly, and occupied himself chiefly with the pan-Islamic Congress, then held in Angora. Was again Minister of Public Instruction during the latter half of 1921, and was one of the first of the Angora leaders to make a speech against the Sultan. In 1923 was elected Deputy for Constantinople and later president of the Turkish Ojaks, to which he devoted most of his time and energy. During 1923 was president of the Foreign Affairs Commission of the Assembly, and from March till December 1925 was again Minister of Public Instruction, resigning finally on grounds of ill-health. September 1927 re-elected for Constantinople, and became a member of the Constitutional Commission of the Assembly. In October 1930 went to Athens as a member of the Turkish delegation to the Balkan Congress. Early in 1931 the Turkish Ojak organisation was merged in that of the Popular party, to his great grief, and in April, not having been re-elected Deputy, he was appointed Minister at Bucharest.

Hamdullah Suphi is an idealist of the pan-Turanian school, and was the moving spirit of the Turkish Ojaks until their suppression. He is a keen moderniser. Is not possessed of means, and his honesty is above reproach.

32. *Hasan (Saka).*

Born in Trebizond in 1884. Said to be of Laz origin. Educated at Constantinople and in Paris, where, from 1909–14, he studied at the School of Political Science. During the war was head of the Economic Section of the Food Supplies Directorate, and in December 1919 became Deputy for Trebizond. Joined the Kemalist movement in March 1920, and in May 1921 became Minister of Finance, holding the post until April 1922. By this time he was apparently very pro-Bolshevik in sympathy. From May till July 1922 Minister of Economics and Public Works. In November was appointed member of the Turkish delegation to the Lausanne Conference, when he acted as financial expert.

In September 1923 was again Minister of Economics. In March 1924 Minister of Commerce, and in March 1925 again Minister of Finance, resigning in July 1926, ostensibly on grounds of ill-health. Continued, however, to play an important part in Turkish financial matters. Was re-elected Deputy in September 1927, and in November, when it was rumoured that he would re-enter the Ministry, he became first Vice-President of the Assembly. Was president of the Turkish delegation to the Balkan Congress at Athens, October 1930. In May 1931 went with the Minister for Foreign Affairs to Geneva to attend the European Union Conference, and while there attended also the International Conference for the Limitation of Dangerous Drugs. In October was president of the Second Balkan Conference, held at Constantinople, and in December was elected president of the Supreme Economic Council. Led the Turkish delegation to the Third and Fourth Balkan Conferences at Bucharest and Salonica in 1932 and 1933 respectively. In May 1934 headed delegation of Turkish Deputies to Budapest to return visit of Hungarian Deputies to Angora in October 1933. Re-elected one of the Vice-Presidents of the Assembly in November 1935, when he was also elected chairman of the Foreign Affairs Commission of the Assembly.

Hasan fancies himself as an expert in matters pertaining to finance. Knows French fairly well; is a man of private means, wily and has a sense of humour. Not attractive personality. Probably a bully, has been described as something of an "apache," and most nearly answers the description when playing bridge, which he does very well. Has a young and not unattractive wife.

33. *Hasan Fehmi.*

Born at Gümüşane in 1877. Educated at Constantinople, and from 1902 to 1910 held various posts in the Turkish Civil Service. In 1910 Governor of Gireson (Kerasund), and in 1912 of Komotini (Gümülcina), 1913–18 Deputy for Gümüşane. Joined Mustafa Kemal in April 1919. In 1920 Vice-President of the Assembly. In April 1922 was Minister of Finance. In 1923 elected Deputy for Gümüşane. August 1923 till January 1924 again Minister of Finance, resigning because of a dispute over the Anatolian Railway question. November 1924 till March 1925, Minister of Agriculture. December 1925, became one of the Government delegates on the board of the Ottoman Bank. Was re-elected Deputy in September 1927. In November of that year became chairman of the Finance Commission, and in November 1928 a member of the Constitutional Commission. Re-elected Deputy for Gümüşane in April 1931, and elected chairman of the Budget Commission in May. Elected President of Finance Commission in November 1933 and again in November 1934, but not in November 1935.

Hasan Fehmi is not regarded as a strong man, and during his occupation of ministerial posts was little more than a nominee of Mustafa Kemal.

34. *Haydar.*

Born at Philippopolis about 1885. Having completed his studies at Galata Saray College, he entered the Ministry for Foreign Affairs and remained there till 1911, when he became second secretary at Sofia. Attended the London Peace Conference in 1913 and then remained at Sofia until February 1919, when he returned to the Ministry. June–December 1919 was Director of Press, and in May 1920 became private secretary to the Minister for Foreign Affairs, retaining the post till the fall of the Constantinople Government in November 1922. Was a member of Turkish peace delegation to London in February 1921 and March 1922. Early in 1924 was a Turkish delegate for exchange of populations, and in August became first secretary in Berlin. In August 1925 was appointed Chargé d'Affaires at Stockholm, Oslo and Copenhagen. In November 1928 was appointed Minister at Belgrade, and in the autumn of 1931 acted as Under-Secretary of State for Foreign Affairs in the place of Numan Bey.

Haydar is something of an intriguer and rather an opportunist, having tacked fairly successfully to the varying winds which have blown in Turkey during the last generation. He is, however, amiable and good-mannered, as well as able and intelligent. Strongly favours a close Bulgaro-Turkish friendship.

35. *Hikmet, Yusuf.*

Born in Constantinople about 1882. Educated at the Galata Saray College. Entered the Turkish Diplomatic Service and served as a secretary at Paris and

Berlin Returned to the Sublime Porte early in the armistice but in 1920 went to Angora, where he at once became Political Director at the Foreign Ministry, and accompanied the Nationalist mission to Europe in 1922 In 1924 was counsellor in London, and in January 1925 again became head of the Political Section of the Foreign Ministry In the summer of 1925 he became Minister at Belgrade, holding the post till November 1927 when he became private secretary to the President of the Republic In July 1928 was appointed Ambassador at Kabul where he has not been a success but his position was made very difficult by the collapse of Amanullah and the consequent eclipse of Turkish influence In 1930 31 went on tour in India and on his return treated His Majesty's Minister at Kabul to animadversions on the laxity of British rule in that country Became secretary general to the Presidency of the Republic in the spring of 1932 and in resigning the post in October 1933 was elected Deputy for Manisa and soon afterwards appointed Minister of Education Resigned this post in July 1934 ostensibly in order to devote himself to historical studies

Yusuf Hikmet is short dark, and somewhat unprepossessing in appearance He is however, intelligent He has agreeable manners and, in spite of slight deafness was generally popular in Belgrade where His Majesty's Minister found him pleasant to deal with He might nevertheless turn out to be something of a mischief maker Is said to be a voracious reader and collector of news, without however the capacity of digesting, or even of using his material

36 *Hulmi (Ivor)*

Early history unknown Appointed Vali of Adana in 1925, and was soon afterwards called by the Angora Independence Tribunal to return to send certain witnesses from Adana to Ankara as material Later became local Popular party inspector in September 1927 was elected Deputy for Konia in October became a member of the executive bureau of the Popular party and in November a member of the Internal Affairs Commission of the Assembly Elected vice president of this commission in 1928 reporter in 1929 and again vice president in November 1930 In December 1931 succeeded Celal Bey as Minister of Public Works and retained this portfolio in Ismet Pasha's new Cabinet May 1931 Resigned on account of ill health in October 1933 Re elected to Commission of Internal Affairs in 1934 Re elected Deputy for Seyhan (Adana) in February 1935

37 *Hulusi Inal (Tugay*

Born in 1885 at Constantinople Member of the Turkish Diplomatic Service Was employed at Berlin and Vienna during the war and in Christiania in 1923 when he received an appointment in the Ministry for Foreign Affairs at Angora May 1924 became Chef du cabinet of Yunus Nadi delegate at Constantinople of the Ministry for Foreign Affairs In October went to London as a member of the Turkish delegation in the Congress of the League of Nations Societies Resigned in March 1925 for reasons unknown though it was suggested that (1) he had outshone Nusret Bey, 2) he was not fully sympathetic with Angora In May appointed Charge d'Affaires at Tokyo In September 1928 was transferred in the same capacity to Nanking, whence he was recalled to the Ministry for Foreign Affairs in August 1931 to become Director General of the VIth Department Is now Director General of the Vth Department, with the rank of permanent Chargé d Affaires

Hulusi Inal or Inal Tugay as he has begun to call himself, is a son of "Deli" Fuat Pasha and his wife, who is a pleasant woman and an excellent linguist is a daughter of the late Mahmut Mukhtar Pasha and a niece of the King of Egypt on her mother's side He is pleasant to deal with accustomed to European ways, enjoys a good cigar not very clever and believed to be fairly straight Knows English well speaks excellent French

38 *Hussein Cahit*

Born at Constantinople in 1876 Took up the teaching profession but in 1908 went over to journalism and became, till 1912 editor and part proprietor of the *Tanin*, the official organ of the Committee of Union and Progress From 1908 was one of the Constantinople Deputies in the Chamber of which he became one of the vice presidents during the war Before the war was representative of the Turkish bondholders on the Public Debt Played no great political part during the war but at the armistice was arrested and deported to Malta Released in April 1921, he spent the following year in Europe On his return to

Constantinople, he recommenced publication of the *Tanin*, and, for a time, supported the Kemalist regime Nevertheless he kept in close touch with the surviving Committee of Union and Progress leaders, and gradually began to take a more independent line in his writings By 1923 the *Tanin* had become the chief organ of the Opposition and in December Cahit was tried and acquitted for the publication of the Aga Khan letter In April 1925 he was again arrested for his publications, the *Tanin* was suppressed and Cahit Bey was sentenced by the Independence Tribunal to a life time confinement in a fortress (Çorum) He was again brought before the tribunal in August 1926 for alleged participation in the Smyrna plot but was acquitted and soon afterwards released In 1930 became chairman of the board of directors of the Bank of Industries and Mines In September 1932, created a sensation at the First Turkish Linguistic Congress by calling in question the Gazi's favourite linguistic theories and opposing the wholesale elimination of words of foreign origin

Tall and slight, Cahit was remarkable for his biting satire, and was feared by his enemies His writings several poems and produced a number of scholastic books His former power was doubtless derived partly from his association with Cavit and the Government seem to have brought him to terms

39 *Huseyin Rauf*

Born about 1885 in Rhodes Member of the late Reshit Galip ex Minister of Education (1932 33) In 1923 was appointed Turkish representative in Paris Transferred to Budapest in April 1925 Appointed Ambassador at Moscow in January 1929 Transferred to Rome in July 1934

Is of pleasant address, somewhat reserved speaks good French and is well looked upon in the highest Angora circles Possibly the best Turkish Ambassador to Russia since the war Keeps an open mind about the Soviet regime and endeavours to judge it without bias Entertains generously and with good taste

40 *Husrev*

Born about 1884 A soldier *de carrière* was military attaché at Athens at the outbreak of the Great War and later served on the staff of the Caucasus Army as an intelligence officer During the early part of the Nationalist struggle was private secretary to Mustafa Kemal Pasha In February 1921 was a member of Bekir Sami Bey's mission to Paris, London and Rome In July 1923 was elected Deputy for Urfa In May 1924 became Minister at Budapest Later resigned his deputyship on opting for his Legation In August 1926 was appointed Minister at Sofia In July 1930 was appointed Ambassador at Warsaw, but did not proceed, and the following month was appointed Ambassador at Teheran where he became increasingly unpopular making no secret of his disgust for all things Persian In 1931 the Persian New Year arrangements were altered to prevent his making a speech as doyen of the Diplomatic Corps Resigned, ostensibly on ground of ill health, in June 1934, to make way for Enis (*q v*)

Husrev is tall and good looking and is or at least was a friend of Atatürk

41 *Ibrahim Tali*

Born about 1885 An ex army doctor by profession, and served in that capacity during the Great War Came under the Gazi's notice at Diarbekir in 1916 or 1917 Later became Turkish consul at Batum In February 1924 it was rumoured that he would succeed Alkan Bey as representative of the Ministry for Foreign Affairs at Constantinople, but instead, he went to Salonica to investigate alleged abuses on the part of the Turkish consul there In April was appointed Minister at Warsaw January 1926 elected Deputy for Diarbekir, and returned to Angora in the following month In May became inspector general of the People's party in Constantinople, and as such had very extensive powers Took a prominent part in the 1927 elections and was himself again returned for Diarbekir In October became vice president of the Executive Council of the People's party and in November a member of the Assembly Foreign Affairs Commission In December resigned his deputyship having been appointed inspector general of the Eastern Provinces with extensive powers His had considerable success in pacifying the backward districts under his jurisdiction Resigned post and elected Deputy for Constantinople in December 1932 Resigned Deputyship in April 1934 to take up new post of Inspector General of Thrace, but resigned it in August 1935 on the ground of ill health

Ibrahim Tali is a short, bullet-headed man and wears heavy glasses. He speaks French and a little English, and is cultured. Is pleasant in conversation, genial, tactful and broad minded. Has been to Bombay, studies Anglo-Indian administration and, at least while in charge of the Eastern Provinces, made his officials start work at 7.30 and stop at 1.

42 *Ihsan (Sokmen), General*

Born about 1875 at Constantinople. Left military college as a staff captain in 1896. 1900-06 military attaché at Athens. Joined the General Staff as lieutenant-colonel in 1906. From 1908 to 1911 he served on the staff of the VIIIth Army, being then appointed its chief. Later recalled to the Imperial General Staff, was placed in command of Erzerum Division in 1912 and in 1914 was transferred with rank of brigadier general, to the 34th Division at Erzerum. Was captured after the battle of Sarikamish in January 1915 and sent as a prisoner to Siberia, whence he escaped in December, making his way on foot to China, and from there returning by way of America to Constantinople. On his return he was placed on the retired list, however, and took up the post of mayor at Yenikoy, on the Bosphorus. Brought back after the armistice and became in 1919 a member of the Military Court of Constantinople, in 1920 Inspector of Prisoners of War and in 1921 Director of the War Department. This brought him in close touch with the Angora Government and in December he became superintendent of their organisation in Constantinople. Though officially unemployed from November 1922 he was charged with the defence of Constantinople in the event of war between Turkey and the Allies. In July 1924 became Vali of Smyrna, in 1926 Deputy for Constantinople and since 1927 has been a member of the National Defence Commission of the Assembly (President 1932-35). Elected Deputy for Constantine (Kerasunt) in April 1931 and member of the executive committee of the People's party. November 1933 both again in 1935, when he was also elected Chairman of the Petitions Commission of the Assembly.

General Esat is a thick-set man with ape-like features. He is something of an opportunist. He is married and has an American-educated English-speaking daughter who is married to Emin Ali, Turkish Chargé d'Affaires at Brussels. He has published an account of his escape from Siberia.

43 *Ismet (Inonu), General*

Born in 1880 at Smyrna, where his father was a small landed proprietor. Educated at the military college and from 1900-12 saw service in Thrace and the Yemen. Joined the General Staff in 1914. 1915-16 Chief of Staff of the Caucasus army. 1917-18 in Palestine and became Under Secretary for War in the autumn in 1918. Early showed Nationalist sympathies, and joined Mustafa Kemal in March 1920 at once becoming Chief of Staff of the Nationalist forces. Assumed command of the Western Army in December 1920 and was chief Turkish delegate at the Madanya Conference in October 1922. In the same month was appointed Minister for Foreign Affairs, and in November went to Lausanne as chief Turkish delegate. Signed the Treaty of Lausanne on behalf of Turkey in July 1923 and in October became Prime Minister, retaining the portfolio of Foreign Affairs. At the same time Mustafa Kemal delegated to him the functions of president of the People's party. During 1924 owing to his ill health, his administration became more and more unpopular, and he resigned in November. On the outbreak of the Kurdish revolt in March 1925 he was again summoned to power by Mustafa Kemal, and has since been Prime Minister, though in August 1925 it was rumoured that his relations with the Gazi had become strained owing to his opposition to the divorce of Latife Hanim. This rumour proved unfounded, and his position remained as strong as ever. In August 1926 he was promoted general of the first class, and in November 1927 after the general election at which he was re-elected for Malatya he reconstructed his Cabinet on more moderate lines. In 1930 his health was not good, and he was subjected to much criticism, but defended himself strongly on formation of Liberal party in August. His triumph was again complete when Fethi Bey was forced to dissolve that party in November. Re-elected for Malatya in April 1931 and soon after again became Prime Minister with the same colleagues as before. Paid official visits to Moscow and Rome in the spring of 1932 and to Sofia in September 1933. Given the surname of Inonu (the scene of his principal victory over the Greeks) by the President of the Republic in 1934.

Again Prime Minister after the general election of February 1935. Toured the Eastern Provinces with the Minister for Foreign Affairs during the summer of that year.

Ismet in his army days was regarded as an exceptionally capable staff officer, an indefatigable worker, and was to a large extent, responsible for the final Nationalist success against the Greeks in 1922. At Lausanne he showed himself a stubborn but able negotiator. Is courteous and never shows signs of being ruffled but suffers from deafness which, however, he probably finds convenient at times. Is the only one of the prominent early Nationalist leaders who has retained the confidence of Mustafa Kemal and remains, as he has been for the last six years, the President's right-hand man. According to Halide Hanim (July 1926), "He subordinates himself entirely to the Gazi and only wants to hang everybody." Though this estimate is no doubt coloured there is certainly a hard streak in Ismet's character, while as regards the Gazi it is probably truer to say that they make an admirable combination, Ismet not always being merely the organ of execution of reforms, but sometimes at any rate being even more thoroughgoing than his chief. Became a keen student of English at the outset of 1935, taking lessons from an American Rhodes scholar.

44 *Fevzi, General*

For his history see No. 1. Commanded the 1st Army Corps at the Sakarya battles 1922. In July 1923 was elected Deputy for Angora but resigned his seat in October 1924 on opting for military duties. In June 1925 became Inspector General of the Third Army. In August 1926 was promoted general of division and in 1930 full general. Is a member of the Supreme War Council. In November 1933 accompanied the Voroshiloff-Kurtchen delegation (which had visited Angora for the celebration of the tenth anniversary of the Turkish Republic) first to Odessa, where he was lionised and gave public expression to Russophil sentiments.

45 *Kemal (Ataturk)*

Born in 1880 at Salonica, son of an Albanian father and Turkish mother. Had an entirely Turkish upbringing, and was educated at the Mulkiye School at Salonica and at the military college in Constantinople from which he passed out with the rank of captain in 1905. In 1907 he was for a time exiled to Damascus. Receiving a staff appointment at Salonica, he early joined the Committee of Union and Progress and was at Salonica when the Constitution was proclaimed. Soon after quarrelled with the Committee of Union and Progress. 1910-11 served in Tripoli, 1913 became aide-de-camp to the Heir Apparent and military attaché at Sofia. In October 1914 was given a command at Gallipoli and distinguished himself at Anafarta in 1915, when he alone saved the situation in defiance of Von Sanders's orders. Later in the same year he fell foul of Enver and remained unemployed till 1917, when he was given a Caucasus command. In 1917-18 had twice command of the VIIth Army on the Palestine front, but quarrelled in turn with Von Falkenhayn, Liman von Sanders and Enver. In May 1919 was sent to Anatolian Eastern Inspectorate, being made of national significance on his arrival at Samsun immediately assumed leadership of the movement. On the 18th July announced his resignation from the army and devotion to the Nationalist cause and on the 27th summoned the first Nationalist Congress at Erzerum. In November summoned the second Nationalist Congress at Sivas, and in December at Angora. During the following months he tried to dictate to the Constantinople Government and in April 1920 established an independent Government at Angora. In May became President of the First Assembly and proceeded to organise the Nationalist army. In 1921 received Russian and Afghan Ambassadors at Angora and in November was vested with absolute authority for the prosecution of the war. Early in 1922 had some difficulties with Assembly, but his dictatorship was successively prolonged for limited periods, and with the Nationalist victory over the Greeks in August-September his ascendency was complete. In November secured from the Assembly the abolition of the Sultanate, this step gave rise to opposition in the Assembly and he dismissed it in April 1923. In the following elections Kemalist nominees were to a large extent elected, Mustafa Kemal himself becoming one of the Deputies for Angora. In August was re-elected President of the Assembly and, in October, on the emergence of a Cabinet crisis, had a republic proclaimed with himself as President. Early in

March 1924 decreed the abolition of the Caliphate, though in the same month the right of veto was refused to him, while in April the supreme command of the army in time of peace was vested in the Chief of the General Staff. Since that time the President has inspired the policy of the Government and in all essentials controlled the Administration through his nominees. Though in many respects his policy is but a continuation of that of the Committee of Union and Progress, the drive which has put the recent great innovations through has been mainly his own. In August 1925 he divorced his wife Latife Hanum whom he had married in 1922 and in the same month he decreed the abolition of the fez. During the summer of 1926 a plot to assassinate him was discovered at Smyrna and as a result a number of Opposition leaders were hanged. Early in 1927 his health showed signs of giving way, and he moderated his manner of life. He was also seen much more in public and his behaviour became more decorous. In the summer after an absence of eight years he at last visited Constantinople and from there continued the general circuit of the frontiers which on his previous journeys were returned. In October he made further history by delivering a six days speech before a party congress in which he reviewed the whole course of the Turkish revolution. At the following month he was unanimously re-elected President of the Republic.

In May 1928 the Kemalist Government [illegible] by the Angora Assembly being the first legislature [illegible] States. As 1927 he spent much time at Constantinople and was [illegible] during which the campaign for the removal of the capital to Angora was [illegible] the Graeco-Turkish assumed after the victory over the Greeks [illegible] Professor of Chief. In the autumn of 1930 [illegible] and debt owing to his having [illegible] of the Progressive Party by Fethi Bey who had to dissolve it some months later. Started on a progress tour of the provinces in November to investigate abuses of the Independents. Re-elected President of the Republic by the Fourth Grand National Assembly May 1931. Has since been chiefly interested in Turkish historical and linguistic [illegible] conclusion that Europeans and civilisation [illegible] among the Altai Turks many [illegible] words are in particular that the Hittites were of Turkish stock. Surname of Atatürk (father of the Turks) conferred on him by vote of the Grand National Assembly in November 1934 when he dropped titles of Pasha and Ghazi as well as name of Mustafa and altered Kemal to Kamal. Another plot against his life in which a Turkish Deputy was stated to be implicated was [illegible] in October 1935.

Kemal Atatürk is about 5 feet 7 inches tall with a sallow complexion and steel grey eyes with a fixed expression. Has strong regular features and is now inclined to stoutness. Possesses an impressive delivery in speech making but has little personal magnetism. He is a driver rather than leader of men is jealous of superior brains and will brook no opposition as the record of his life shows. For the last few years he has been an excessive drinker and is still given to excesses. Is however possessed of an iron will and constitution.

46. *Kâzim (Dinç, General*

Born at Diarbekir in 1879. Educated at the military school. 1904 On employed at the Ministry of War. 1909-12 and again 1913-14, military attaché at Rome. 1915 Chief of Staff of the 1st Army at the Dardanelles under Liman von Sanders whom he accompanied throughout the war and finally to Palestine. In November 1918 became director of the Military Council. Showed no violent anti-Ally feelings during the armistice and in June 1920 after joining in an effort to secure a reconciliation between Angora and Constantinople joined Mustafa Kemal though at the time expressing the contradiction of his sympathies with Great Britain. In October 1920 was appointed Director General of Administration of the Kuva-yi Seyyare Army and in October 1921 Under Secretary of National Defence. In 1922-24 was in command of the Turkish troops on the Greek front. In 1924 succeeded Ghazi Pasha as inspector of the IIIrd Army. In the spring of 1925 was in charge of the troops for the suppression of the Kurdish revolt and during it resigned his military inspectorate. In August 1926 became Vali of Samsun. In November 1930 was forced to resign and summoned to Angora because of his impartial attitude during the municipal elections at Samsun which resulted in the victory of all the Liberal party candidates. Was subsequently forgiven and elected as People's party Deputy for Smyrna in December 1932. Re-elected February 1935.

Kâzim was highly esteemed by Liman von Sanders and is an industrious, well trained and efficient officer. He is not a political intriguer, has moderate views and has never expressed a marked preference for any particular party. At Samsun he earned a reputation for energy and efficiency. He is friendly with foreigners, and was held in high esteem by the foreign colony at Samsun.

47. *Kâzim (Özalp), General*

Born at Vezes (Koprulu) about 1884. Has followed a military career and was early a staunch adherent of the Committee of Union and Progress. Held various commands in the eastern vilayets, and during the war was Director-General of Administration to Ali Ihsan Pasha. In July 1919 was in command of troops at Balikesir, and there worked for the Nationalist cause. In the autumn raised irregular bands round Bandirma to support Mustafa Kemal who appointed him Governor of the Balikesir area in January 1920. In June was given command in the north-west front and after the battle of the Sakarya was promoted Pasha becoming in the following month Minister of National Defence. Held this post till November 1924 when he became President of the Assembly. In August 1926 was promoted to be divisional general of the first class. Following the general election in September 1927 at which he was again returned for Karas (Balikesir) he was in November re-elected President of the Assembly. Was President of the Fourth Congress at Constantinople in the autumn of 1931. Was elected Deputy for the Fifth Grand National Assembly March 1935 but ceased Minister of National Defence.

General Özalp Kâzim is fairly well situated as regards a little French. He is considered to be very religious though reasonable. In the cocktail stage one as a strong character. His personal habits are temperate and possibly still anti-Bolshevik and during the Nationalist struggle made it clear that he was anti-Greek as distinct from anti-Ally. Is intellectual but not an attractive personality. A keen poker player.

48. *Kâzim (Orbay, General*

Born about 1884. Fought in Tripoli, Balkan and Balkan Wars also in Great War in Austria commanded a brigade against the Russians at Przemysl), at Gallipoli and Erzerum. At the armistice was Chief of Staff of IXth (Caucasus) Army. Was in charge of the evasion which captured General Dyer's troops in the War of Independence. In 1925 he became Sub-Chief of the Turkish General Staff. Was promoted general of division in 1926 and in November 1928 was chief of the Turkish military mission then sent to Afghanistan but the mission came to nothing owing to the eclipse of Amanullah. Given command of IXth Army Corps in June 1929. Later Inspector General of Gendarmerie. Became Inspector of Third Army Area in September 1935.

General Kâzim has a pleasant manner of speaking but is pessimist and reasonable. Supposed to be rather hide-bound as regards military matters. He is married to a sister of the late Enver Pasha. Pro-Allied until Russian and pro-German. A great friend of the late Kemaleddin Sami Pasha Turkish Ambassador at Berlin.

49. *Kâzim, Karabekir, General*

Born at Bitolj (Monastir) in 1878 of poor parents. Has throughout his life followed a military career. Held numerous staff appointments during the war. Immediately after the armistice was given command of the XVth Army Corps at Erzerum where, in 1919, he established contact with Mustafa Kemal, definitely joining the latter in September. In 1919-20 was responsible for the consolidation of the Nationalist position in the eastern vilayets and for the repression of the Armenians. At the same time was in secret touch with Bolshevik agents. Was throughout inclined to act independently of Angora and for a time his relations with Mustafa Kemal were strained. In September 1921 represented Turkey at the Kars Conference when he incurred the displeasure of Angora by adopting too conciliatory an attitude towards the Bolsheviks and also probably because of his great influence in the eastern provinces. In 1922 was given full powers there and for a time was in touch with Enver Pasha. Later arrived at Angora in October 1922 and after being for a time unemployed probably owing to the jealousy of Mustafa Kemal became one of the military inspectors. Elected Deputy for Constantinople in 1923 he resigned his military duties in October

1924 Joined the Opposition resigned from the People's party in November when he became president of the new Progressive party which was suppressed in March 1925 He continued his opposition activities and in July 1926 was arrested and tried at Smyrna for participation in the alleged plot against the Gazi, but was acquitted, probably owing to his influence with the army which it was later stated wished to make him leader of an opposition movement Ceased to be a Deputy in September 1927 and was severely criticised in the Gazi's lengthy review of the revolution in October 1927 Since then little has been heard of him though his influence particularly with the army still remains considerable Was proposed as an independent candidate for Istanbul in 1931 but not elected, as his election was vetoed by the Popular party In May 1933, in a letter to a newspaper claimed the credit of having started the Nationalist movement before Mustafa Kemal This caused an uproar in the press which made much of the Gazi's comment that Kazim Karabekir was a case for the mental specialists

Colonel Rawlinson says "Kazim Karabekir Pasha is the finest example of a first class Turkish officer that I have met Any army under him will be well commanded" Possesses a quick practical bright intelligence he is master of every branch of his profession and first class in the performance of his duties Is straight to work and what of the Nationalist success was due to his original tenet in handling of the Eastern Army

30 *Kâzım Sevki Kaygusuz*

Born about 1880 in Constantinople Military School Was in command of troops 8th Division, in Angora 1925-27 In January 1928 became Deputy for Diarbekir and signed his party's programme Has continued Deputy for Diarbekir ever since and was elected one of the Nationalist Deputies of the Grand National Assembly since November 1928

Tall Kazim has a short round Bald dome like face a nose on the face pleased to be there clean shaven type of mouth and a fully and well drawn out lower lip, combination that betokens sadness and the soul of good nature and has shown himself particularly friendly to members of His Majesty's Embassy He and his extremely plain wife are cordial and popular figures at the principal Angora "crushes"

31 *Kılıç Ali*

Born about 1882 Before and during the war was a non-commissioned officer In 1919 became a tough lot of bashi-bozuks at Balikesir Next heard of in Cilicia in 1920-21, where he acted with great energy against the Armenians, thereby earning the sobriquet of Kılıç (sword) At the same time changed his name from Asif to Ali and became Deputy for Aymasp, which he still represents in the Assembly In July 1924 assaulted Celal Nuri Bey with impunity in the office and two months later accompanied Mustafa Kemal on his tour of the eastern provinces an association much criticised at the time Continued however, to be one of the chief associates of the Gazi, and in March 1925 became a member of the Angora Independence Tribunal In February 1927 wounded Sabit Bey in a brawl arising out of the Swedish railway contract The Independence Tribunal having been suppressed in March Kılıç Ali devoted himself to his numerous commercial activities till the summer when he was in attendance on the Gazi at Constantinople In November was a member of the Turkish mission sent to Moscow in connexion with the Russian revolution anniversary celebrations and in the same month became a member of the executive bureau of the People's party and of the Defence Commission of the Assembly Is a member of the board of the Is Bankasi

Kılıç Ali's character is not of the best record He is a brute and a bully with no apparent compensating features But is however influential owing to his friendship with the President of the Republic though outwardly at least that friendship seems to be subject to a good deal of ebb and flow

32 *Ulkmat*

Born about 1880 At one time before the war was tutor to one of the Imperial Princes At every other period employed his spare time in writing or translating military text books Was in the field in Mustafa Kemal in the independence war Since 1923 has been Deputy for Siirt By 1926 had become chief editor of the semi-official *Hakimiyet Milliye* (Angora) and *Milliyet*

(Constantinople), was a member of the executive bureau of the People's party and president of the fifth section of the Assembly In November 1927 he became reporter of the Foreign Affairs Commission of the Assembly and in the same month was a member of the Turkish mission sent to Moscow for the celebration of the tenth anniversary of the Russian revolution Went to Paris and London, and was much pleased with his reception in London He is also vice president of the Turkish Aviation League and chairman of the board of the Is Bankasi Was a member of the Turkish delegation at the Second Balkan Conference, held at Constantinople in October 1931

Mahmut is one of the leading journalists in Turkey and the President's man of business Is very influential, but not much seen in public Speaks French well and is capable Appearance is very oriental of an almost negroid type

33 *Mahmut Esat (Bozkurt)*

Born at Smyrna in 1885 Studied law in Constantinople and Switzerland, obtaining his degree in Lausanne 1911 In 1912 established himself in Smyrna as a lawyer and remained there till 1919 In May 1920 went to Angora, and in the following month was appointed Deputy for Smyrna and still retains this seat In May 1922 published a protest to the League against the Sultan of the Porte and the Sultan, and in June became secretary of the Foreign Affairs Commission of the Assembly In July became Minister of Education, holding the post till September 1923, when he resigned and was understood to have become an opponent of Ismet In March 1924 opposed the grant of extraordinary powers to the President of the Republic In November became Minister of Justice, retaining this portfolio when Ismet's short cabinet fell in October 1925 and formed a new Cabinet in November 1927 In August-September 1925 Acting Minister for Foreign Affairs during the absence of Tevfik Rushdi Bey at Geneva In 1926 and 1927 he made several visits to Europe in connexion with the Lausanne question and was chief Turkish delegate before The Hague arbitral tribunal in the summer of 1927 when the Turkish case was upheld In 1931 became the unsuccessful opponent and was accused of undermining the forces of justice His position became gradually weaker during the summer and he was one of the chief objects of attack of Fethi Bey and the new Liberal party Was not included in Ismet Pasha's Cabinet as reformed in September 1930 and in May 1931 In October 1931 published in a Smyrna newspaper a series of violent articles against freemasonry

Mahmut Esat speaks French and German as well as Turkish and Greek He is considered to be one of the best Turkish specialists in Constitutional Law He showed great energy in the introduction of Criminal and Civil Codes based on Western models, of which the last named has revolutionised Turkish family life

34 *Memduh Şevket*

Early history unknown Appointed Turkish Minister at Tehran in August 1925, and rather more than a year later returned to Angora with Teymurtache via Moscow Was said to be associated with schemes for an Asiatic League of Nations Resigned his post in August 1930 nominally on grounds of ill health, and was elected Deputy for Elaziz in April 1931 In October was a member of the Turkish delegation to the Second Balkan Conference at Constantinople Elected member of the Constitution Committee of the Assembly in November 1932 Was also a member of the executive bureau of the People's party Appointed Ambassador at Kabul in January 1933, and after resigning his deputyship, left to take up his post in October

Memduh Sevket had at one time the reputation of being very Asiatic and practically ignorant of Western Europe At Tehran however, he learned to speak French fluently and was very friendly towards His Majesty's Legation Is understood to have wide interests, especially historical

35 *Muhlis (Erkmen)*

Born in Constantinople about 1887 Graduate of Halkali Agricultural School in 1911 Taught there 1911-16 Sent by Turkish Government to Germany for special course of study, and on his return resumed position as teacher at Halkali School Was employed for a time as adviser in Ministry of National Economy returning later to the agricultural school, where he specialised in the subject of milk Still later became rector of the school and was Under Secretary

for Agriculture in 1926 and 1927 In the latter year was elected Deputy for Brusa and member of the Budget Commission of the Assembly of which he became *rapporteur* in 1928 In 1931 was elected Deputy for Kutahya and secretary of the Budget Commission In December 1931 was appointed to the newly created post of Minister of Agriculture Is friendly and popular Known to the Diplomatic Corps chiefly in connexion with the Angora Riding Club, of which he is an active member

56 *Manuk, Mehmet*

Born about 1875 Educated at the Mulkiye College and Law School at Constantinople After obtaining his diploma of doctor of law, was appointed one of the assistant legal advisers of the Sublime Porte holding this post till 1916, when he became first legal adviser As such attended the conference of Brzesć (Brest Litovsk) Accompanied Izzet Pasha on the reconciliation mission to Anatolia in December 1920 At once placed his services at the disposal of the Nationalist Government and became legal adviser Was Turkish legal adviser at the Lausanne Conference and returned to hold the post at the Ministry for Foreign Affairs till February 1925 when he was appointed Turkish Minister at Berne Became Ambassador at Paris in August 1930 Transferred to London in May 1932, and to Washington in May 1934

Manuk is a pretty good lawyer of rather the simple old fashioned kind of Turkish school He has a reputation for honesty and created a good impression on the Turkish delegates at the Lausanne Conference

57 *Mustafa Necmi Ozkaya*

Born in Budapest in 1884 A graduate of the faculty of law of Constantinople and Paris Was director of the Law School at Konia professor of the Turkish University Under Secretary of the Ministry of Commerce under the Imperial regime Elected Deputy for Bolayir Took part in the Lausanne Conference Later one of the Turkish delegates to the negotiation of commercial treaties Appointed Minister of National Economy in Ismet Pasha's new Council September 1930 and resumed his portfolio in new Ministry May 1931 Resigned in September 1932 and in November was elected Chairman of Finance Committee of the Grand National Assembly In April 1933 went to Rome as member of Turkish delegation to International Parliamentary Economic Conference, and in November became chairman of the Budget Committee of the Assembly Elected chairman of Budget Committee of Assembly in November 1935

58 *Naci (Eldeniz) General*

Born at Bitolj (Monastir) Passed out of Constantinople Military School with rank of second lieutenant of infantry in 1893, and went to Germany for a course of military studies Teacher of military manœuvres from 1897 to 1900 Commanded school for reserve officers at Beylerbey until its suppression in 1912 In February 1913 appointed director of studies at the Constantinople Military School In February 1915 was made director of the training camp at Erzerum and in 1917 joined the General Staff of the Caucasus armies In July 1918 appointed personal A D C to the Sultan (Mehmet VI, Vahideddin), and retained the post until April 1920 though in sympathy with the Nationalist movement for which reason he fell foul of the Grand Vizier Damat Ferit Accompanied Salih Pasha on his mission to Anatolia and joined Mustafa Kemal In 1924 was head of a military mission to Britain France and Poland In May June 1925 was in command of the Government forces at Diyarbekir for the repression of the Kurdish revolt of Sheikh Said In 1927 commanded the VIth Army Corps at Konia and was promoted Divisional General In 1928 made the arrangements for King Amanullah's visit to Angora and was to have gone to Afghanistan as military adviser but Kazim Pasha was sent instead Thereupon resigned from the army and was elected Deputy for Cumhuriyet Was president of the National Defence Commission of the Assembly from November 1928 to November 1930 when as a member of the second group under the latter late Elected Deputy for Seydi in Aydin in February 1935

General Naci is a tall dapper person of pleasant but very formal manners, a retired Pasha and charming wife and an attractive daughter Speaks French and excellent German

59 *Necmettin Sadik*

Born about 1890 Owner and chief editor of the *Aksam* newspaper, published at Constantinople Elected Deputy for Sivas in September 1927, and member of the Public Instruction Commission of the Assembly in November Was one of the Turkish delegates to the International Press Conference at Cologne in May 1928 and in November was elected member of the Foreign Affairs Commission of the Assembly a position which he still retains Early in 1929 his paper published an attack on His Majesty's Ambassador on account of sympathy shown with the sufferers from a fire at Kadikoj (Tatavla) a Greek quarter of Constantinople, but later gave equal publicity to an explanation by Sir George Clerk In November 1930 he accompanied as journalist the Turkish delegation to the preliminary Disarmament Conference at Geneva Accompanied Ismet Pasha and Tevfik Rushdi Bey on their official visit to Athens October 1931 and on his return was one of the Turkish delegates at the Second Balkan Conference held at Constantinople Member of Turkish delegation to Inter Parliamentary Congress at Geneva July 1932 and to the Disarmament Conference in February 1933 Was commissioned by the Gazi to reply to the attacks on Atatürk by Harold Armstrong's *Grey Wolf* which led to the series of articles in the *Aksam* entitled 'Who's who in the Grey Wolf' [illegible] Secretary-General of Turkish Peace Group of Grand National Assembly in May 1934

Necmettin is a [illegible] from Anatolian peasant stock

60 *Numan [illegible]*

Born in 1890 a son of Menemencioglu Rifat Bey ex president of the Ottoman Senate and [illegible] of the poet Namik Kemal Educated at Galatasaray and Robert College and in Switzerland In 1913 Bey Attaché through Cabinet Secretariat to Talaat Pasha Grand Vizier Resigned in 1918 to study at the Harvard College as Fellow Returned to Constantinople in January 1919 to be Chief of Cabinet to Damat Ferit Pasha Grand Vizier Transferred in 1918 to the Foreign Department Vekil Left Constantinople in 1919 to be Secretary to the Turkish Delegation to the League of Nations Geneva Returned to Constantinople in 1920 to be Chief of Cabinet to Ali Kemal Minister of Interior Was interned in Malta for three years by the British Government Released in 1921 and returned to Angora Appointed Director of Political Affairs in 1926 and in August 1926 transferred to Budapest as Counsellor of Embassy After serving for three years as Consul General at Beirut was in 1928 appointed Director of Commercial Section of the First Division at the Ministry for Foreign Affairs Appointed Under Secretary of State for Foreign Affairs in June 1929 in which post he completed the work of reorganisation initiated by his predecessor Fuad Bey Was in Germany for treatment during greater part of 1931 In May 1933 accompanied Minister of National Economy to Athens for commercial negotiations and cultivation of cordial relations with Tsaldaris Government In June was promoted to rank of Ambassador and appointed Secretary General of the Ministry for Foreign Affairs a new post In December led a delegation to Rome to negotiate a new commercial treaty and to Berlin in March 1935

Numan is slightly somewhat stooped dark haired and shallow complexioned Has very indifferent health Quiet and retiring but very intelligent and efficient friendly manners but rather unctuous Speaks excellent French, and plays a good game of bridge Married a French Swiss lady now deceased

61 *Nuri (Conker)*

Born about 1880 A former military attaché at The Hague Was with Mustafa Kemal at Tripoli in 1911 and became his personal friend Earlier history unknown Elected Deputy for Kutahya in 1923 and again in 1927 In 1920 27 was a member of the Executive Bureau of the Popular party and was elected to the Foreign Affairs Commission of the Assembly in 1927 and 1928 In August 1930 joined Fethi Bey's new Liberal Republican party, somewhat against the Gazi's wishes, and acted as its secretary general until the dissolution of the party in November when he was appointed a member of the Administrative Council of the Is Bankasi (Business Bank) Again seen a good deal with the Gazi in October and November 1931 when the press announced that he had applied for readmission to the Popular Party Became a member of Economic Committee of the Grand National Assembly in November 1932 Deputy for Antep (Aintab) [illegible]

Nuri is tall substantially built [illegible] by no means forthcoming Is a Circassian [illegible] Gazi's most attached friends and as such, probably exercises a certain amount of influence Owns house property at Angora

62 *Aarı (Batu)*

Early history unknown Was in 1924 member of staff of Foreign Affairs delegation in Constantinople Later appointed Turkish consul at Tiflis In December 1926 became head of Consular Section of Ministry for Foreign Affairs, and in March 1928 Assistant Under Secretary of State for Foreign Affairs, chiefly in connexion with legal matters Appointed Director General of the Third (Balkan) Department in June 1928, and Chargé d'Affaires at The Hague in August 1931 In June 1933 was appointed Under Secretary of State for Foreign Affairs in succession to Numan Bey but never took up his duties, it was said because the Gazi considered him unsuitable In July appointed first Turkish Minister at Tirana state recognition of King Zog by the Gazi but for some mysterious reason did not proceed Appointed Minister at Riga July 1935

63 *Nasret*

Born about 1878 of South Albanian origin Educated at the Mulkiye College at Constantinople after which he followed a career in jurisprudence at the law school in 1903 became assistant to Legal Adviser's Department at the Sublime Porte In 1910 became director of this department In 1921 accompanied Tevfik Pasha's delegation to London in the capacity of legal adviser Was in the Turkish delegation at Lausanne Continued to be with Munir Bey the duties of legal adviser to the Angora Government both 1924 when he was appointed representative of the Ministry for Foreign Affairs Assistant Director of Legal Department Ministry for Foreign Affairs As such was in Switzerland at the time of the Ismir Smyrna disaster which he reports showed himself to be resourceful and courageous In June 1927 he resigned his Constantinople powers showed himself to be resourceful and courageous In June 1927 he resigned his Constantinople appointment being appointed President of the newly constituted Council of State In 1931 was appointed Governor of the Bank of Central Bank of the Republic of Turkey

Nusret gives little social entertaining of any kind which he is regarded as something of a recluse His disposition and his most pleasure consists in the perusal of legal works in French He is unmarried but in Constantinople his brother was social success in Pera

64 *Nusret Sabuncuzade*

Born about 1873 the son of Sabuncuzade Pasha Minister for Foreign Affairs Studied at the Galata Seray College, Constantinople, and at Vienna Entered the diplomatic service and served at Berlin and Vienna, until about 1909, when he became assistant legal adviser to the Sublime Porte Owing to bad health was for some years unemployed, but in July 1913, after having been a Deputy for a few months became Minister in Belgium and afterwards at The Hague where he remained until 1923 In 1923 he became head of the Political Section of the Foreign Ministry but resigned in 1926 for reasons of health In September 1927 became Deputy for Samsun, and two months later member of the Assembly Foreign Affairs Commission Appointed Minister at Belgrade February 1928 he resigned his deputyship, but was re-elected in October ill health having made it impossible for him to take up his new diplomatic post Re-elected member of Foreign Affairs Commission of the Assembly in November 1930 Not re-elected to the Assembly in April 1931

Nusret Sabuncuzade is cultured and very popular both in European and Turkish circles He is also capable but his poor health a hereditary weakness, both his father and brother having committed suicide during fits of temporary insanity has prevented him from attaining the distinction to which he would otherwise appear entitled Was married to an Egyptian princess now deceased, the daughter of late Abbas Hassan Pasha Subsequently married an attractive Turkish lady, very much younger than himself Is not a politician Is now engaged in commerce and lives at Constantinople

65 *Ragıp Raif*

Born in 1874 the son of Raif Pasha Entered Turkish Foreign Office in 1897 went to London in 1901 to Berne Brussels Washington and again London where he was when war in 1914 Returned to Europe during the war, and after it was Minister at Madrid In 1927 became political adviser at Ministry for Foreign Affairs and January 1929 was appointed Chargé d'Affaires at Stockholm Envoy Extraordinary and Plenipotentiary Appointed Chargé d'Affaires at Tokyo end of 1931 but did not proceed Presented his credentials to the King of Sweden as Minister Plenipotentiary November 1933

Ragıp Raif shows distinct traces of Arab blood, and has a somewhat coarse appearance Speaks English well, and is a good talker, but is addicted to drink and when in liquor often indulges in indiscretions, which are generally amusing and sometimes interesting

66 *Rahmi (Koken)*

Born about 1880 at Smyrna Nothing known of his early history, except that for a time he was a finance official Since 1923 has been a Deputy for Smyrna Became Minister of Commerce in May 1926, and in November 1927, on the reconstruction of Ismet Pasha's Cabinet retained that portfolio, combining with it that of Agriculture Was not a success in this post, owing to complete lack of business capacity Resigned on grounds of ill health in May 1929 Elected member of the Economic Affairs and Accounts Committees of the Assembly in November 1930 and on the formation of former committee in November 1931 Became Chairman of Agricultural Committee in November 1932

Rahmi is a big, burly man who speaks nothing but Turkish He rarely shows himself in public but otherwise is courteous and helpful

67 *Rauf Orbay*

Born in 1883 at Constantinople and educated at Galata Seray School. Studied wireless telegraphy in Europe and was employed on the Directorate of Posts and Telegraphs until 1920 subsequently taking up private commercial and agricultural work Was one of the leaders of a modern cotton factory in Turkey In 1926 was a member of the Constantinople Municipal Council and in September 1927 was elected Deputy for Sarisu becoming in November a member of the Internal Affairs Commission of the Assembly In June 1928 he was one of the Turkish delegates to the Inter-Parliamentary Congress at Paris, was in November elected President of the Finance Commission of the Assembly and about the same time became a member of the Executive Bureau of the People's party In the summer of 1929 he represented Turkey at the Universal Postal Congress held in London and during his stay in England visited several Manchester cotton mills under the auspices of the Department of Overseas Trade Having been returned as Deputy for Constantinople in April 1931, he was soon afterwards elected vice-president of the Budget Commission of the Assembly and in October was a member of the Turkish Delegation at the Second Balkan Conference held at Constantinople At the end of December he was appointed to the newly created post of Minister of Customs and Monopolies

Rauf, who speaks a little English has various grateful memories of the numerous official attentions which he received during his visit to London in 1929

68 *Recep (Peker)*

Born about 1880 An ex-army officer In 1922 became secretary general of the People's party, and as such had considerable power July 1923 Deputy for Kutahya May 1924 became Minister of Interior and resigned from the secretaryship of the People's party In the autumn of 1924 was considered one of the leading men of Ismet Pasha's Cabinet and a likely candidate for the premiership, but was maintained in his post on Fethi Bey becoming Prime Minister in November In January 1925 resigned owing to his objections to the Cabinet proposal to appoint prefects by election, and resumed his post as secretary general of the People's party until in March on the return of Ismet Pasha to power, he became Minister for National Defence Early in 1927 his influence was said to be on the wane He was re-elected Deputy for Kutahya in 1927 (again in 1931), but ceased to hold ministerial rank when Ismet Pasha reconstructed his Cabinet in November, and a few days later became chairman of the Defence Commission of the Assembly October 1928 became Minister of Public Works but was not reappointed on reformation of Ismet Pasha's Cabinet in September 1930 In March 1931 again became secretary general of the People's party Went on a prolonged tour of European countries including Spain and Norway, in 1932

Recep was one of the Turkish statesmen who struggle and owed his position to his friendship with the President of the Republic A big, burly figure he is said to be ambitious with a perpetual desire to become Prime Minister He is, however something of an extremist

69 *Refet General*

Born in 1877 at Trnovo 1898 1908 was employed in the gendarmerie in Macedonia Commanded the gendarmerie battalion of the Army of Liberation in 1908 Went to the staff school in 1911 and was sent to Damascus in 1912 Became famous as the defender of Gaza in 1916 and 1918 received the command of the XXIIIrd Army Corps in Palestine At the armistice was appointed commander in chief of the gendarmerie and in May 1919 commander of the IIIrd Army Corps at Sivas Landed at Samsun with Mustafa Kemal and immediately became one of the latter's chief lieutenants In September commanded the Nationalist forces at Konya and in March 1920 was appointed commander on the Aydin front In September was appointed Minister of the Interior, holding the post till April 1921 After holding various commands was Minister of National Defence from July 1923 to January 1922 After the Mudanya Conference was appointed Governor of Thrace but remained in Constantinople where he rapidly overthrew the Sultan's Government and established Nationalist authority In June 1923 elected Deputy for Constantinople and soon afterwards resigned his appointment which no longer had any *raison d'être* In the autumn began to show Opposition tendencies over the proclamation of the republic and was at close feud with the Caliph and Rauf Bey Resigned his deputyship in May 1924 and after attempting to Constantinople through Ankara as a result with Riza and other Opposition leaders In October withdrew his resignation of deputyship publicly joined forces with the Opposition to get from the People's party and became one of the leaders of the new Progressive party In July 1926 was tried at Angora for participation in the alleged plot against the life of the President of the Republic but was acquitted apparently because of his prestige with the army In October, by reason of his abandonment of political activity and in November finally resigned his deputyship In 1931 he visited Angora and it was rumoured that he was about to return to political life Later he was put forward as an independent candidate for Istanbul at the parliamentary elections but his candidature was vetoed by the Popular party who got rather slow however returned him unopposed as deputy for Constantinople February 1935

Veteran Refet is one of the best liked of the Nationalist leaders and of considerable political ability In 1922 at Constantinople showed himself to be an extremely keen and clever politician Though his private life is not above reproach he can hardly fail to play a prominent part in any future Opposition movement in Turkey

70 *Refik (Saydam) Dr*

Born about 1878 Studied at Stamboul Medical School and in Germany and later practised medicine Was an early supporter of Mustafa Kemal and from 1921 to 1923 was Deputy for Beyazit in the first Angora Assembly Since 1923 has been one of the Deputies for Constantinople Except for the period November 1924 to March 1925 when Fethi Bey was Prime Minister Dr Refik has been Minister of Health since October 1923 He has discharged the duties of his post with marked ability and the great improvement in Turkish sanitary conditions and the successful draining of the Angora marshes are outstanding tributes to his ability and energy His Ministry is easily the most efficient of all the Turkish official Departments Is chairman of the Administrative Committee of the Turkish Red Crescent Paid official visits to the United States of America and London in 1929 In October 1931 was Acting Prime Minister during Ismet Pasha's official visit to Athens and Budapest Was Acting Minister of Finance and of Education in 1933

Dr Refik is rotund, has beaming school boy countenance spectacles and is universally popular Not much seen in public he is partly always to be found at bridge at which he is a most efficient player Speaks fair French Is unconcerned with politics and is almost exclusively taken up with his work Is probably a capable Health Department

71 *Reshid*

Born at Constantinople about 1880 Began life as a clerk in the Tobacco Regie Later entered the Ministry for Foreign Affairs and was secretary at the Legations at Bucharest Washington Madrid and Tehran During this period became a member of the C U P On the success of the revolution of 1908 was appointed Director of the Private Council of the Ministry of Finance and became secretary to the Minister, Cavit Bey, who at various times, sent him as propagandist agent to London Paris, Rome and particularly during the Great War, Vienna and Berlin On the signature of the armistice in 1918 became counsellor of the Turkish Legation at Berne where he engaged in pan-Islamic agitation and wrote anti British articles in the local press On his return to Constantinople in October 1919 opened a branch of the Swiss Society for the Defence of Ottoman Rights and became one of the directors of pan Islamic activity Later he turned to pan Turanianism and became one of the most indefatigable discoverers of affinities between the Turkish race and the principal civilised peoples of the world Worked for the extreme wing of the Nationalist party but in 1921 lost the favour of Mustafa Kemal for a time In October 1922 was appointed secretary general of the Turkish Peace Delegation at Lausanne In 1925 was accused by Ismet of corrupt conduct for the Population of the International Board of Health and showed himself pugnacious and even insolent. Made grave accusations against the British delegate and was obliged to resign Elected Deputy for Izmit in September 1927, and member of the Commerce Committee of the Assembly in November In June 1928 was one of the Turkish delegates to the International Press Congress at Paris and visited Russia in 1929, returning greatly impressed by his experiences In October 1930 he went as member of the Turkish delegation to the Balkan Congress at Athens and in January 1931 to the Balkan Conference at Salonica In present of the Turkish Touring Club and with which he has gone much further the abolition of some of the restrictions on the movement of foreigners in Turkey In November 1930 appointed to the Evian Commission of the Assembly In the autumn of 1931 represented Turkey at Oriental Congress at Java and Parliamentary Congress at Bucharest and was one of the Turkish delegates to the Second Balkan Conference at Constantinople Elected leader of Ankara's contingent of Assembly in November 1932 Elected leader of Ankara's contingent of Assembly in November 1932 Represented Turkey at International Press Congress at Cairo in February 1933, and was delegate to Second Balkan Conference at Salonica in November 1933, and was delegate to Second Balkan Conference at Salonica in November Not re-elected Deputy at the last election of February 1935

Reshid speaks French and German and is a good linguist and is a most amusing companion and is not above playing practical jokes when under the influence of liquor to distinguished female visitors

72 *Ruşen Eşref*

Born in 1893 at Constantinople Before the war taught in the English boys' school in Constantinople Was associated with Mustafa Kemal from the inception of the Nationalist movement and was a member of the first Angora Assembly Has been a Deputy for Afyon Karahissar since 1923 Has never occupied any prominent official position but has for some years been one of the Gazi's most intimate friends 1925 27 was secretary of the Assembly Foreign Affairs Commission, and for the last four years has been the chief secretary of the Assembly In the summer of 1927 he represented the Turkish press at an international congress in London whence he returned deeply impressed by English education industry and culture In June 1928 was a delegate to the International Parliamentary Congress in Paris, and on his return took a prominent part in the campaign for the reform of the alphabet Was one of the Turkish delegates at the Balkan Congress at Athens in October 1930, and secretary of the Balkan Conference at Constantinople a year later Took prominent part in organisation of First Turkish Linguistic Congress at Constantinople in September 1933 Member of Turkish delegation to Third Balkan Conference at Bucharest in October 1932 Appointed Secretary General to the Presidency of the Republic October 1933 when he resigned his deputyship Fell suddenly in March 1934 from the President's favour in consequence it is believed of a quarrel with Recep, and was sent soon afterwards practically in disgrace as Minister to Albania In October however was appointed Minister to Athens a post for which in view of his great interest in the classics (though innocent of other) interests he is particularly suited

Ruşen Eşref is a fine figure of a man of attractive personality He is educated and speaks French well Has read extensively and is extremely intelligent, but is remarkably well probably constitutionally lazy and although fond of writing and gifted with great fluency, tends to work in spurts Has lately been engaged on translating standard

Western authors. While accused by some of insincerity, he is excellent company, is very fond of bridge, and has a pleasant wife whose comparative good looks and other attractions placed her in the forefront of the ladies in Angora society

73. *Sabri (Toprak)*

Born about 1883. Before the war was a small post office employee. During the war was secretary-general of the Committee of Union and Progress, and for his activities in this connexion was deported to Malta in 1919. He returned, and became in 1922 Director of Posts and Telegraphs at Angora, and went to Germany, where he studied wireless. In July 1923 elected Deputy for Karahan (Manisa), and in August became first Vice President of the Assembly. In March 1925 became Minister for Agriculture. He was re-elected Deputy in September 1927, but ceased to hold office in November on the suppression of the Ministry of Agriculture as a separate department. In the same month became a member of the Assembly Budget Commission, and in November 1929 chairman of the Assembly Accounts Commission. In February 1929 was appointed Minister at Bucharest but resigned in 1930 in order to become a Deputy again. Was a member of the Turkish delegation to the Balkan Congress at Athens in October 1930, and next month was elected member of the Foreign Affairs Commission of the Assembly. Was a member of the Turkish delegation at the Second Balkan Conference held at Constantinople in October 1931.

Sabri has a rough but genial manner. He has great ideas about developing agriculture in Turkey. In November 1925 during a visit to Moscow he gave evidence of strong pro-Russian sentiments.

74. *Saffet (Arikan)*

Born about 1885. A former staff officer. Was on the staff of Izzet Pasha in the Yemen in 1912. During the war served at Gallipoli and in Mesopotamia. In 1920 was military attaché at Moscow. In July 1923 elected Deputy for Izmit. From March 1925 until March 1931 was secretary-general of the People's party, and as such exercised much power and influence. He had complete control over the party, and was responsible for the arrangements for the complete success of the Kemalist nominees in the general elections of September 1927. He himself being returned for Erzurum. In November 1927 he became president of the Foreign Affairs Commission of the Assembly, and in the same month he headed a Turkish mission to Moscow for the celebrations in connexion with the tenth anniversary of the Soviet revolution. From there went on to Paris and London. In the autumn of 1930 and winter of 1931 was busily engaged in reorganising the Popular party. Appointed head of Department in Council of State in 1931. Elected secretary of the National Defence Committee of the Grand National Assembly in November 1933. In March 1934 was elected Vice-President of the "Franco-Turkish Friendship" group of the Grand National Assembly. Became president of the parliamentary group of the People's party in March 1935, and was appointed Minister of Education in June.

Saffet is probably a donmé (Islamised Jew) and is extremely capable but is possibly just as untrustworthy. He is, however, friendly and sociable and a good bridge player. He is a close friend of the President of the Republic. Is not considered a suitable choice for the Ministry of Education.

75. *Salih (Bozok)*

Born in 1881. Passed through the military school and was a great friend of Mustafa Kemal, both then and after. Was with him at Tripoli in 1911. Joined the Nationalist movement at the outset and became chief A.D.C. to the President. In 1923 was elected Deputy for Yozgat and continued to be one of the Gazi's boon companions. In 1926 began to show nervousness regarding the future. In March 1927 was involved in a brawl with Kılıç Ali, Bey arising out of baksheesh for Swedish railway concession, and was shot in the leg. By this time his influence was on the wane. In June he suddenly returned to Ankara and was in close attendance on the Gazi at Constantinople during the summer, as also during the summer of 1928. Re-elected Deputy for Yozgat in September 1927 and since November of that year has been a member of the National Defence Commission of the Assembly. In April 1931 elected Deputy for Bilecik and again in February 1935.

Salih speaks only Turkish but is pleasant to talk to. Is a hard drinker.

76. *Suat*

Born in 1878. Studied law in Paris, and in 1912 became secretary at the Sublime Porte. Was a protégé of Talat Pasha, and quickly became head of the Consular and Commercial Department. During the armistice was Director-General of Administration at the Porte but resigned on the fall of Ferit Pasha. In 1923 became Under-Secretary for Foreign Affairs at Angora, and in 1924 representative at Rome. Appointed Ambassador there in April 1925, and was always on good terms with His Majesty's Ambassador. Transferred to Paris in May 1932.

Suat has at Angora the reputation of being a somewhat aggressive and tiresome person to deal with.

77. *Sakir*

Born at Veles (Macedonia) about 1882. Educated at Constantinople, and early entered the service of the Ministry of Interior. Was for a time secretary of the Adrianople Vilayet and later became Kaimakam of Arcadian. Became Deputy for Gallipoli in 1920 and throughout the armistice was one of the moving spirits of the Kemalist movement in Thrace. In 1921 was the unofficial Kemalist agent in Sofia but continued to devote most of his attention to the Thracian movement. In October 1922 he was appointed Vali of Adrianople and established the Kemalist Admiralty there. Early in the following year he transferred his activities to Constantinople of which he was for a time Vali. Has been Deputy for Adrianople since 1923, and for the last three years Chairman of the Budget Committee of the Assembly. He is also a member of the executive bureau of the People's party. In May 1929 became Minister of National Economy but lost the appointment on the reformation of Ismet Pasha's Cabinet in September 1930. Chairman of the Executive Committee of the Grand National Assembly since November 1932. Elected Deputy for Trebizond in February 1935.

Sakir is a man of wide education, speaks several European languages and has travelled much in Europe. He has some reputation as an administrator, and for the last few years has taken a prominent part in Turkish financial and economic matters, being connected with the Alpullu sugar refinery.

78. *Serki (Berker)*

Born in Constantinople about 1884, the son of a major-domo of Tevfik Pasha who saw to the education of his retainer's son at the Galata Saray College, and in 1905 secured him a post in the Foreign Ministry. Accompanied Tevfik Pasha on a mission to Vienna, Berlin and St. Petersburg in 1909. Returned to the Ministry and in 1914 became private secretary to the Minister for Foreign Affairs, holding this post throughout the war. Accompanied Tevfik Pasha to the Paris Peace Conference in 1920 and was later in the year appointed Minister at Stockholm. In 1922 was Under-Secretary for Foreign Affairs under Izzet Pasha in the last Constantinople Government till the collapse of the latter in November. Angora having need of his services he was summoned to the capital, in 1925 was head of the Commercial Section of the Foreign Ministry and in August 1926 became Under-Secretary, holding this post till September 1927, when he was elected Deputy for Tokat. In November he became a member of the Budget Commission of the Assembly. For the last few years he has been chief Turkish delegate for the negotiation of commercial and consular conventions with foreign States. Was not re-elected Deputy in the general election of April 1931, and was soon after appointed chief Turkish delegate on the Greco-Turkish Mixed Exchange Commission. Appointed Minister at Madrid in January 1933. Transferred to Sofia in April 1934.

As his record shows Serki owes everything to his venerable patron Tevfik Pasha. He is short and uninspiring but has a certain capacity. Became much more expansive and affable after his election as a Deputy. Enjoys imperfect health.

79. *Serki Mehmet Ali*

A grandson of Gazi Muhtar Pasha who was Turkish High Commissioner in Egypt before the war. Served in the Turkish Embassy in London as secretary and counsellor for about eleven years. In December 1930 was transferred to Angora as Director of the Second Section of the First Department which dealt with British Empire affairs. Went to Cairo as Charge d'Affaires in 1931 and appointed Minister there in January 1933.

Şevki was made a pasha by Abdul Hamid at a very early age, in order to console him for the breaking off of his engagement to a Turkish princess. Is fair and English looking, has good manners and speaks English exceedingly well. Is unmarried and of a retiring disposition but was much liked in London. Plays golf, and is generally very English in his tastes and general outlook.

80 *Şukru, Saracoğlu*

Born about 1885. Nothing known of his early history. Since July 1923 has been a Deputy for Smyrna. December 1923 became president of Foreign Affairs Commission of Assembly. November 1924 to March 1925 was Minister of Public Instruction in Fethi Bey's Cabinet. In July 1925 became chief Turkish delegate on the Commission for the Exchange of Populations. In this capacity visited Geneva in December 1926, and in the same month signed the Turco-Greek Convention. In May 1927 he was given charge of negotiations for purchase of Anatolian Railway which was concluded in December 1928, and in November, when Ismet Pasha reconstructed his Cabinet, he became Minister of Finance. As such he was intimately concerned in the Ottoman Public Debt settlement of 1928. In 1930 he came in for much criticism in connexion with the Turkish financial crisis, and one of Fethi Bey's principal objects in founding the new Liberal party was to get rid of him as Minister of Finance. In this he failed but Şukru Bey resigned in December on account of ill-health. In October 1931 was sent on a special mission to the United States of America ostensibly to get into touch with American business circles but really in the hope of obtaining American financial cooperation in Turkish public works. Early in 1932 resumed in Paris negotiations with bondholders in consequence of Turkey's inability to continue payments agreed on in 1928 and in April 1933 signed a new agreement more favourable to Turkey. Appointed Minister of Justice in May.

Suleyman Sirmeoğlu is generally in appearance and is probably a Moderate. Is believed to be very capable, has plenty of drive as pop[illegible] and was on excellent terms with his Greek opposite number in exchange matters. He has acted as Minister for Foreign Affairs during one of Tevfik Rustu's numerous absences abroad.

81 *Nakia Kenja*

Born about 1884 at Kos, where he still owns property. Before the war was an official of the Ministry of Justice, and in 1914 as a civil inspector, accompanied the Lausannes' delegates who enquired into the Greek deportations around Smyrna. Was then of advanced ideas and a protégé of Talat Pasha. Was deported to Malta in the early armistice and on his liberation identified himself with Mustafa Kemal. Was a member of the Turkish delegation to the first Lausanne Conference. Mayor of Smyrna in 1923 when he was a failure. In July 1923 elected Deputy for Mentese which he still represents. In March 1924 charged with deposit of the ratification of the Lausanne Treaty, and went to Paris and Berne. In the same month became president of the Foreign Affairs Commission of the Assembly. In August became Minister of Agriculture and in November Minister for Foreign Affairs. Resigned in March 1925 and was reappointed president of the Foreign Affairs Commission of the Assembly holding this post till the autumn of 1927. During this period he exercised considerable influence over Turkish foreign policy. In November 1927, on the reconstruction of Ismet Pasha's Cabinet he became Minister of Interior, and quickly effected drastic administrative changes, more particularly in the eastern provinces, where he caused the military régime to be suppressed in December. Acts for Minister for Foreign Affairs during Tevfik Rustu's frequent visits abroad. Was under a cloud for a time in consequence of the Prime Minister's tour of the Eastern Provinces in the summer of 1935 when numerous abuses were brought to light.

Şükrü is a coarse but vigorous personality and is by no means unintelligent. Not too well liked by other leading Turks, who regard him as a poseur. Is a hard drinker and an intimate counsellor of the Gazi. Has a wife who now speaks fair French and is more often seen in diplomatic society than formerly.

82 *Sukru Nigh (Gokberk) General*

Early history unknown. Elected Deputy for Kirklareli (Kirk Kilise) in 1923. In October of that year was in command of the Turkish troops which

entered Constantinople after the Allied evacuation and remained in command of the IIIrd Army Corps stationed at Constantinople. In October 1924 resigned his deputyship on opting for military duties. Promoted Divisional General in August 1926. Was transferred to the Balikesir command in 1934, but resigned before the end of the year. Elected Deputy for Istanbul in February 1935, and in November chairman of the National Defence Committee of the Assembly.

General Sukrü Nayh had the reputation of being an intelligent and up-to-date soldier with pleasant manners and a European outlook.

83 *Terfik Colonel*

Born about 1880. Mother a Bagdadi, father a Turk. Left the military school in 1908 and in view of his marked intelligence proceeded direct to the Staff College where he graduated in 1912. In 1914 he was appointed to the staff of the 19th Division where he served under Mustafa Kemal. Later he served in the Caucasus and was on the staff of Ismet Pasha in Palestine. Joined the Nationalist movement at the beginning and was appointed to the General Staff of the Ministry of National Defence with rank of colonel. Was Turkish military adviser at the Lausanne Conference 1922-23. In June 1924 became secretary to the President of the Republic and held this post till November 1927 in spite of Ismet Pasha's efforts to appoint him to various missions abroad. He represented Turkey at the Arms Traffic Conference at Geneva in the early summer of 1925. In November 1927 was appointed Ambassador at Moscow but only remained there till May 1928 when he was at Angora in attendance on the King of Afghanistan whom he accompanied to Ismir. He there signed the Turco-Persian Neutrality Protocol. On his return he opened his batteries on private secretary to the President who refused to be withdrawn. In November 1930 he was a member of the Turkish delegation at the Geneva Preparatory Disarmament Conference and again in February 1932. Suddenly fell from favour in March after mysterious quarrel with the Gazi and has since been living in disgrace at Constantinople.

Colonel Tevfik is a tall and pleasant man and was until his fall completely identified with Mustafa Kemal. He speaks German, Russian and French. Always affable. His relations with the British delegates at Lausanne were very cordial. He is married.

4 *Terfik Kemal*

Born in 1889 at Salonica and educated there. A career diplomat. Studied law in Paris until 1911, and entered diplomacy after teaching for some time at Stambul University. He was second secretary to the Turkish delegation at the Second Lausanne Conference in 1923 and on his return to Angora became Under Secretary for Foreign Affairs. As such he was charged with the negotiations of friendship treaties with several foreign countries and gradually exercised increasing influence. Resigned in October 1925 on his election as Deputy for Constantinople. In 1926 he became a member of the Foreign Affairs Commission of the Assembly, and by his expert knowledge made his influence felt. In 1927 he was responsible for the drafting of a new and very important law on Turkish nationality. Represented Turkey at an International Cattle Plague Conference at Adana in November 1927. Elected one of the questors of the Assembly a year later. Soon afterwards succeeded Cenal Husnu Bey as chief Turkish delegate on the Mixed Exchange Commission, where he was a great improvement on his predecessor. Is a hard worker, and a tower of strength to the Foreign Ministry, with which he is always in close contact. In April 1931 was appointed Minister at Sofia, where, according to the Turkish press, he was active in prosecuting local Turkish journalists for anti-Kemalist publications. In October 1933 he confided to His Majesty's Minister that he was practically in exile at Sofia, and that he was thoroughly disgusted with Mustafa Kemal and his régime. Transferred to Madrid as Minister to Spain and Portugal in April 1934.

Tevfik Kemal is without doubt very capable. He is however shy and reserved but when better known is pleasant in conversation and ready freely to express his views on questions which interest him. He is married.

85 *Terfik Rustu (Aras) Dr*

Born about 1885. Doctor in the sanitary service. In 1909 was secretary-general of the Committee of Union and Progress Congress then held. Served as

a doctor during the Balkan War and was made prisoner by the Serbs. In 1920 was a member of a mission to Russia, and later, during the Nationalist movement, was the director of an Angora newspaper. Elected Deputy for Smyrna in July 1923, was secretary of the Foreign Affairs Commission which considered the Lausanne Treaty. Later in the year was appointed president of the Turkish Commission for the Exchange of Populations, and early incurred criticism because of his alleged failure adequately to protect Turkish interests. Resigned in September 1924 over the "établis" issue but subsequently withdrew his resignation and resumed negotiations for the conclusion of a Turco-Greek agreement. In March 1925 became Minister for Foreign Affairs. Proceeded to Europe on various missions particularly in connexion with the Mosul question and signed the Angora Treaty in June 1926. During the summer of 1926 his position was weakened owing to his relationship (brother-in-law) with the late Dr Nazim whose death sentence he endeavoured to have commuted but this effect was apparently only temporary and he again seemed fairly established when he met M. Chicherin at Odessa in November. During the following months rumours of his impending resignation were current but these proved unfounded and he retained his portfolio when Ismet Pasha reconstructed his Cabinet in November 1927. In March 1928 attended the Preparatory Disarmament Conference at Geneva, and during the year his position appeared to become steadily stronger. In September 1930 paid an official visit to Moscow. In November headed the Turkish delegation to the Preparatory Disarmament Conference at Geneva and in December visited Sofia, Moscow, Rome and Warsaw. Travelled by the Kingsway Was the moving spirit on the Turkish side in the Greco-Turkish rapprochement which led to M. Venizelos's visit to Angora in October 1930 when the treaties were signed and his own and the Prime Minister's return visit to Athens in October 1931. In January 1932 went to Tehran to sign frontier agreement and in February led Turkish delegation to Disarmament Conference at Geneva. Was elected vice-president of Naval Commission of conference. In April and May paid official visits to Moscow and Rome with Ismet Pasha. Again led Turkish delegation to Disarmament Conference in January and April 1933 and to Economic Conference in London in June. Has also shown great political activity during 1934 in connexion with the Balkan Pact which he signed on behalf of Turkey at Athens in the 9th February. Was President of the Council of the League of Nations early in 1935 presiding over its eighty-fourth and eighty-fifth sessions in January and April and was member of the Committee of Five which submitted proposals for a solution of the Ital.-Abyssinian conflict in September.

Leyla Rusta is believed in appearance and veils his features behind monumental dark glasses. He is so volatile and voluble that he appears inane. His real influence on Turkish foreign policy is difficult to determine though his subservience to Ismet Pasha in public lends colour to the theory that he is content for the most part to take his orders from his superiors. Has an unattractive wife, who has succeeded in learning a little French and a pleasant though very strictly brought up daughter who is married to a junior member of her father's Ministry.

86. *Yakup Kadri*

Born about 1890. A journalist by profession and the author of a number of novels. Elected Deputy for Maras in 1923 and for Mardin in 1927. In the same year he was elected a member of the Foreign Affairs Commission of the Assembly and his influence at Angora continued slightly began to increase. Was one of the Turkish delegates to the Inter-Parliamentary Congress at Paris in June 1928 and to the first Balkan Conference at Athens in October 1930. In April 1931 was elected Deputy for Mugla and in October was one of the Turkish delegates to the second Balkan Conference at Constantinople. Was one of two Turkish delegates to Journalists' Congress at Moscow in the summer of 1934 and in October resigned his Deputyship on being appointed Minister to Albania.

Yakup Kadri is stout and unfashionably appearance and of a delicate constitution. His wife (Pervin Sol) speaks English.

87. *Hasan Vadi*

Born in 1878. Educated in Rhodes. Became protégé of Abdin Pasha Dino, who put him in charge of his farms but dismissed him after two years because of abuses. Emerged from obscurity in 1908 and became one of the Committee

of Union and Progress members for Smyrna in the Chamber of Deputies. In 1911 became editor of the Committee of Union and Progress *Tasvir Efkâr*, and in 1916 started the *Yeni Gun*. In 1908 received £T 30 000 from the secret Committee of Union and Progress funds. Was imprisoned soon after the armistice but was soon released and published attacks on the Allies in his newspaper. On occupation of Constantinople in March 1920 he escaped to Angora having for some time previously been in touch with Mustafa Kemal. Began publishing his paper there and became Deputy for Smyrna. In February 1921 was a member of the Angora peace delegation to Rome, Paris and London. In the autumn he fell out of Mustafa Kemal because of his sympathy with Enver but in 1922 was received back into the fold and for some time was president of the Foreign Affairs Commission. Throughout this period he wrote many Russophil articles and was a bitter Anglophobe. Has been Deputy for Mentese Mugla since 1923. In 1924 started the *Cumhuriyet* in Constantinople and soon after the *Ayda* was raised publication. Since 1923 has been a member of the Constitution Commission of the Assembly and 1926-27 was also a member of the Foreign Affairs Commission. In 1927-28 took the leading part in an enquiry into the peculations of the former Ministers of Marine and Commerce, a cartoon selection. Spent the summer of 1928 in Russia and Germany and on his return made known his Soviet sympathies. In November became a member of executive committee of Republican Party. In 1929 paid visits to Germany several times. During the summer of 1931 engaged in the usual Turkish press controversy with members of the Opposition which led to the stringent press law of the 24th. His principal opponent Dr. Refik. Accompanied Ismet Pasha and Leyla Rusta Bey on their official visit to Athens in October. In December 1931 became chairman of the board of directors of proteorous drug factory at Constantinople since suppressed as part of reform of the company instituted by the Gazi with whom he seems to have lost influence.

Yunus Nadi is short and stout and wears pince-nez. He is intelligent and Turkey's best leader writer but is ready to turn to any wind, is an excessive drinker and is rather palpably under the influence of Russian gold. Behaviour disgusts even the Turks.

88. *Yusuf Kemal (Tengirsenk)*

Born in 1878 at Sinop. Entered the military school, but transferred in 1901 to the school of law from which he graduated in 1905. Practised in Constantinople and was for a short time Deputy for Kastamuni but in 1909 joined the Opposition. In 1910 resigned his seat and spent the following two years in Paris studying law. Throughout the war praised as a barrister in Constantinople. October to December 1919 was Under Secretary for Justice and on being sent on a mission of reconciliation to Anatolia, was won over to the Nationalist cause and did not return to Constantinople. Became Minister of Economics early in 1920. In 1920-21 proceeded on mission to Moscow and Tiflis and attended the Baku Congress. Became Minister for Foreign Affairs in May 1921, and throughout his tenure of office was in close touch with Moscow. Proceeded to Paris and London as head of the Angora peace delegation in March 1922. Resigned in October nominally on grounds of ill-health. In July 1923 was elected Deputy for Sinop and in the following month was president of the Foreign Affairs Commission which examined the Lausanne Treaty. In January 1924 became Turkish Ambassador in London but resigned in May in opting for his deputyship. In November was a rival candidate to Kazim Pasha for the presidency for the Assembly, but was defeated and for a time took no prominent part in political life being understood to be out of sympathy with the President of the Republic. From 1925-27 he was, however, reporter of the Justice Commission of the Assembly and in 1927 accompanied the Minister of Justice to The Hague in connexion with the 'Lotus' affair. He was re-elected Deputy for Sinop in September and became president of the Legislative Commission of the Assembly. In September 1930 became Minister of Justice and Ismet Pasha's law-adviser and again in May 1931. Resigned office in May 1934 ostensibly for reasons of health but really according to rumour owing to dissatisfaction over removal of Court of Appeal from Istanbul to Angora. Re-elected Deputy for Sinop 1935.

Yusuf Kemal is a good speaker and nourishes Bolshevist sympathies but only in so far as these do not clash with his ideals of Turkish nationalism.

89 *Zekâi (Apaydın)*

Born in Bosnia in 1878. A graduate of the Mülkiye School and became kaimakam and mutessarif. Was Deputy for Adana in the first Angora Assembly, and in 1921 was a member of Bekir Sami Bey's peace delegation to London. In the following year Turkish economic expert at the Lausanne Conference. Was a member of the Independence Tribunal.

Elected Deputy for Aydin in July 1923, he became Minister for Agriculture in March 1924. In September was appointed Ambassador to London, but was recalled early in 1925 owing to his having, on his own account, proposed a direct deal over Mosul which he was instructed by Angora to withdraw. In May was appointed Ambassador at Moscow, and in November 1926 was present at Odessa at the interview between M. Chicherin and the Turkish Minister for Foreign Affairs. Resigned in September 1927 on his election, possibly not of his own volition, as Deputy for Diyarbakir. A member of the Foreign Affairs Commission of the Assembly. In 1929, when all Powers were obliged by the denunciation of the Commercial Treaty of Lausanne to negotiate fresh treaties, was appointed chief of the delegation for the negotiation of commercial treaties. Appointed Minister of Public Works in Ismet Pasha's new Cabinet September 1930 and Minister of National Defence in December 1930 and again in May 1931. Resigned in March 1935 to make way for Kazim Ozalp, and appointed Ambassador at Moscow for the second time in June.

Zekai carries about with him a mop of grey hair and a perpetual expression of puzzled benignity. He is an industrious worker and a good chief, but of so narrow an outlook as to reduce his interlocutor to the verge of despair. He has been reported as being pro British sympathies in the past and when in London alienated Turkish sympathisers by his lack of courtesy towards them. During the negotiation of the Anglo Turkish Commercial Treaty he was, though slow in the uptake, friendly and helpful in finding the way of compromise. Is no conversationalist.

90 *Zeki Mesut*

Born at Aydin in 1880. Graduated from the Constantinople Mulkiye (Civil) College in 1910. Was employed in various financial capacities and twice went to Europe as a student inspector. In 1926 became member of the Council of Education and in 1927 director of the Mulkiye College. In September of that year was elected Deputy for Adrianople, and in November secretary of the Foreign Affairs Commission of the Assembly, of which commission he is still a member. In 1929 took an increasingly prominent part in the discussion of foreign affairs, on which subject he contributed numerous articles to the semi official press. Was a member of the Turkish delegation to the Balkan Congress at Athens in October 1930. Elected Deputy for Diyarbekir in April 1931 and again in February 1935.

Zeki Mesut wears behind his glasses the strained expression of a short-sighted man who refuses to wear any. He is friendly, but not unduly communicative. He speaks good French.

Obituary

Vasif (Cinar)
Yusuf (Aşçura)

[E 128/128/44] No. 2

Sir P. Loraine to Mr. Eden. (Received January 9.)

(No. 2. Confidential.)

Sir, *Angora, January 1, 1936.*

I HAVE the honour, with reference to my despatch No. 5 Confidential of the 1st January 1935, to transmit to you herewith the annual report on the heads of missions in Turkey in 1935.

2. The passages enclosed in brackets have been taken from previous reports.

I have &c.
PERCY LORAINE.

Enclosure in No. 2.

Report on Heads of Foreign Missions.

AMBASSADORS.

Afghanistan.

(Sultan Ahmed Khan presented his credentials on the 28th March, 1931. He has already risen to the position of dean of the Diplomatic Body, replacing the former Soviet Ambassador in that capacity when the latter was transferred to Berlin in the summer of 1934.

Of Sultan Ahmed Khan's diplomatic abilities it is difficult to judge, but he seems to be thoroughly *persona grata* to the Turks whose language he speaks, and he shows himself most friendly and amiable to all with whom he comes in contact. He is a pleasant colleague and I should say, a convinced anglophil both in his personal and political outlook.

He is married, but his wife very seldom appears in non Moslem society and possesses no language but her own, though she is credited with an effort to learn French. Since the Ambassador's assumption of the decoration the principal diplomatic lady on public occasions or entertainments has, thanks to the retiring disposition of the Afghan Ambassadress, been the Polish Ambassadress. 1934.)

Poland.

(Count George Potocki presented his credentials as Ambassador on the 14th June 1933. I have known him now for nearly twenty years and when we first became acquainted he was a mere youth. He is very English in his sympathies and indeed in his appearance also, is fond of outdoor sports and a good horseman. He comes of the best Polish stock, and his tastes are those of the country more than of the town. He and his Spanish Basque wife are certainly the greatest social asset in the diplomatic world of Angora. They entertain hospitably, agreeably and without ostentation.

I do not reckon Count Potocki's brain power or general knowledge very high, but this disadvantage is largely set off by his excellent breeding, his charm of manner and a certain native shrewdness. He is a good type of Polish representative and everyone here likes him.

The Polish Embassy is in Angora. It is a large well situated house, built almost entirely of materials sent from Poland. There is no house in Constantinople, but the Ambassador has a summer villa at his disposal on the Bosphorus. 1934.)

United States of America.

(Mr. Robert P. Skinner presented his credentials as Ambassador on the 16th October, 1933. He began life as a newspaper publisher and editor and entered the United States foreign service some thirty seven years ago. During most if not all the period of the war he was United States consul general in London and by no means left the impression that he shared the anglophilism of the then United States Ambassador, Mr. Walter Page. He was my American colleague in Athens between 1926 and 1929 and on several occasions I detected signs of anti British bias during that period. Mr. Skinner left Athens after I did and was sent as Minister to the Baltic States for the particular purpose, as he has since informed me of making all necessary preparations against the moment when the United States of America should re-establish diplomatic relations with the U.S.S.R. and despatch an envoy to Moscow, a task which he found both interesting and congenial.

Since renewing my acquaintance with Mr. Skinner at this post, I have found him distinctly friendly, both personally and officially, anxious to co-operate on minor matters and with a view greatly broadened with respect to the community of interests that bind England and America together. His personality seems to have mellowed and his judgment to have ripened.

The American Ambassadress, though not immune from the social foibles that characterise many of her countrywomen, is an agreeable and on the whole a kind-hearted lady. 1934.)

Mr. Skinner is on the point of retirement into private life, and appears to regret keenly the termination of his diplomatic career. The identity of his successor has not yet been revealed.

France

(M Frederic Albert Kammerer presented his credentials as Ambassador on the 17th October, 1933, having been transferred from the French Embassy in Rio de Janeiro.

Both M Kammerer and his wife are Protestants He is small of stature and not of imposing appearance He has a well-stocked mind and is a diplomatist of ripe experience, but I am not quite sure that his judgment is on a level with his ability He has held diplomatic appointments in the Far East and for a number of years he was one of M Philippe Berthelot's personal assistants in the Quai d'Orsay He will be well known to Sir Robert Vansittart with whom he collaborated in fixing the frontier between Palestine and Syria With Signor Carlo Galli, shortly expected here from Belgrade to take over the Italian Embassy he also collaborated closely in Paris during the immediate post war years in squaring up a number of French and Italian interests left in suspense as a result of the war and the treaties. M Kammerer has more than once expressed to me his regret that the settlements then reached with Italy and accepted not only as satisfactory, but also as conclusive by the then Italian Government has since proved to be far from satisfying to their latest successors

I have established friendly personal relations and find that a periodic exchange of views is useful instructive and welcome He is first and foremost a Frenchman but believes strongly in the community of the best interests of France and the United Kingdom, and professes I think genuinely, an admiration for England He has a broader knowledge and a broader view of large international issues than is common to foreign representatives, and this is no doubt the fruit of his collaboration with the late M Berthelot

Mme Kammerer is a pleasant and unexacting lady They have a son who stays in Paris, and two unmarried daughters, one of whom is a first rate pianist 1934)

Since the critical development of the Italo Ethiopian dispute and of the tension between Italy and the League of Nations M Kammerer has reflected I think by conviction the preference of the Laval Government for wide concessions to Italy rather than risk a breach of the Franco Italian understanding of January last

Russia.

(M L M Karakhan fully accredited Ambassador presented his credentials on the 23rd October 1934

M Karakhan is said to be of Armenian origin and his appearance does not necessarily belie the suggestion He is a well set up man, neatly dressed and has the reputation maybe not unjustified, of being a veritable Beau Nash among the Commissars of the Soviet Union He is furthermore credited with tastes for athletic pursuits and for the chase, which I believe are uncommon among his present day compatriots.

His career will be familiar to the Foreign Office especially the rather sinister rôle that he played during his diplomatic mission to China It is said that M Litvinov fears him as a rival, and rumour has it this consideration weighed with M Litvinov when securing M Karakhan's appointment to a tolerably distant post. 1934)

M Karakhan's absences from his post during the first year of his mission have been rather infrequent nor brief As a consequence I have not seen a great deal of him His manner and outlook towards my country and me myself are sufficiently friendly With the Turks he is on a comradelike footing and they show him every personal consideration I have nevertheless the impression that Soviet friendship though, still very important occupies rather less of the Turkish horizon than in recent years

Italy

M Carlo Galli presented his letters on the 12th January 1935

His previous record as Italian Minister in Teheran where he was my colleague and later in Yugoslavia where I succeeded him, justified the personal friendship and esteem of Sir Nevile Henderson will be known to your Department It will also be remembered that after the conclusion of the peace treaties M Galli co-operated closely in Paris with Sir R Vansittart and M Kammerer, as experts for the settlement of a number of questions of interest to the United Kingdom, France and Italy arising out of the war

M Galli is married to a French wife, who recently presented him with a son, which is the great pride of the household It is not possible for M and Mme Galli to entertain on any but the smallest scale, their present lodgment being an unspacious house of the bungalow type The construction of an Italian Embassy in Angora, on a large and handsome scale, it is said, has been put in hand since M Galli came here, and the Ambassador is believed to be acting as his own architect

M Galli is certainly one of the most capable Italian representatives abroad and is, I have little doubt a Fascist by necessity rather than of choice In saying this, I do not wish to belittle his Italian patriotism which I believe to be fervent. His first contacts with the Turks were definitely auspicious he seemed to them friendly disposed broad-minded and of temperate manner and judgment and it was certainly hoped that with his assistance, Italo Turkish relations would become smoother and more normal The development of the Italo Ethiopian conflict and the uncovered determination of the Fascist Government to fulfil faithfully their obligations under the Covenant of the League preserving so far as they can in these circumstances friendly relations with Italy, have necessarily delayed this process I judge however that M Galli has handled this for him difficult position with foresight and tact I avoid hurting any Turkish susceptibilities or arousing any Italian animosity

Similar causes have lately contributed to embitter M Galli to a state of cordiale pessimism with which we happen to meet I feel that he is nervous and more than anxious about the consequences for Italy of the adventure in to which the Mussolinian regime has plunged her, but whatever his personal judgment in this regard may be I do not believe that it will deter him from supporting and furthering so far as in him lies the policy of his Government at this perilous juncture of his country's fortunes

Japan

Mr Iyemasa Tokugawa K C V O, presented his letters on the 7th March 1935 He is of distinguished lineage, being a member of the Shogun family and since 1909 when he became attached to the Japanese Embassy in London, he has held a number of important appointments

There is no Japanese Ambassadress in residence here, and I rather fancy that Mr Tokugawa is a widower During the first few months of his mission his daughter did the honours of his house but has since left Turkey to be married

Mr Tokugawa is a quiet man with charming manners and an agreeable address He speaks English well but no French Although a little melancholy in appearance, one sometimes detects in him a glint of humour He seems to be well informed, thoughtful and intelligent Turco Japanese relations do not loom very large in Angora and I have had no sufficient opportunity for forming an opinion about his diplomatic ability I should judge him to be competent.

Germany

Herr von Keller presented his letters on the 28th October, 1935

Beyond the usual exchange of formal visits I have seen little of Herr von Keller First impressions of him are, however, favourable rather the old type of diplomatist and not I should say, either of the fire breathing or the *faux bonhomme* type of German representative

He is married to an agreeable German lady, and both of them speak very adequate English His attitude towards myself has been definitely friendly, and I gather his sentiments to be distinctly Anglophil There are several children, but I believe only one daughter with her parents at the moment

Herr von Keller's relations with the Turks seem to be good and friendly

Ministers

Switzerland

(M Henri Martin has been raised to the rank of Minister and presented his credentials on the 11th November 1928

While in Angora M Martin is invaluable for obtaining information on points of detail, and prides himself on the number of despatches which he writes to Berne At Constantinople he is driven, to circularise his colleagues, while on leave he breeds dogs in England M Martin would like to be taken for an Englishman 1928)

Norway

(M. Sigurd Bentzon fully accredited Minister, presented his letters of credence on the 8th October, 1930, the first Norwegian Minister to be accredited to Turkey. He is tall and distinguished looking, speaks perfect English and has a charming and vivacious English wife who more than holds her own with the younger women of the Diplomatic Corps, both for looks and general attractiveness. 1931.)

(I rather suspect M. Bentzon of being a *faux bonhomme*. As he principally graduated in the diplomatic school of Baron von Wedel Jarlsberg in Paris, this is not unlikely. 1934.)

Belgium.

(M. Georges de Raymond presented his credentials as Minister on the 20th March, 1932. He is virtually a widower, his wife a well bred and agreeable French lady, whom I knew in Persia, being a permanent invalid of the mental category.

M. de Raymond was Belgian Minister for a number of years in Tehran, and was my colleague there. He has spent the interval as Belgian Minister in Prague. He has a certain degree of ability, but does not have the faculty of inspiring confidence. His voice is talking. Conversation flows from him in an interminable spate, and one is unpunctuated, that he is the most difficult man to separate from that I have ever met.

He certainly has plenty of experience, and I should judge him to be a good representative of his country's interests. I nevertheless rather doubt His being given any of the most important posts in the Belgian service. 1934.)

Lithuania

(M. Jargis Baltrusaitis, fully accredited Minister, presented his credentials on the 20th May, 1932. He left almost immediately, and has not since reappeared in Turkey, where he has no Legation and practically no interests. He is also Lithuanian Minister in Moscow. 1932.)

(M. Baltrusaitis came to Turkey from Moscow in 1933 for the celebrations in connexion with the tenth anniversary of the republic. He travelled here with the delegation representing the U.S.S.R. at the celebrations and returned with it. He did not remain long enough at Angora to become generally known, but was communicative and friendly to His Majesty's Embassy. 1933.)

Greece

The Minister, M. C. M. Sakellaropoulo, having been transferred to the Ministry for Foreign Affairs in November 1935, the Legation is in charge of a secretary, M. C. Vallaiotti.

Albania

(M. Djavid Leskoviku, fully accredited Minister, presented his credentials on the 14th May, 1933. He received a military education in Constantinople, served in the Turkish army during the Balkan War, was Albanian Chief of Staff in 1923, and later, military attaché in Belgrade and consul-general at Skoplje. Since his appointment as first Albanian Minister to Turkey since the Gazi's recognition of King Zog, he has resided for the most part in Constantinople, and has been very little seen in Angora society. 1933.)

(The Albanian Legation at Angora was abolished as a separate post in March 1934 when M. Leskoviku left for Athens to take up his residence as Minister there. He is still in charge of Albanian interests in Turkey. 1934.)

Austria

(M. Karl Buchberger, fully accredited Minister, presented his credentials on the 17th October, 1933. He was previously Chargé d'Affaires at Stockholm. He and his Swedish wife are friendly and already generally liked. Both speak English. Mme. Buchberger less well than her husband. 1933.)

Denmark

(M. Axel Norgaard, fully accredited Minister, presented his credentials on the 24th March, 1934.

He is a pleasant elderly gentleman looking, I should say, either in ambition or intellectual endowment. 1934.)

Iraq

(Naji Beg Shawkat (known in Turkey as Naci Sevket Bey), fully accredited Minister, presented his letters of credence on the 2nd June, 1934. He was previously Iraqi Minister at Angora from October 1930 to October 1931, when he returned to Bagdad to become Prime Minister for a few months and also Minister of the Interior.

Naji Shawkat was previously Mutesarrif of Mosul and had the reputation in Iraq of being an extreme Nationalist with anti-British tendencies. He has shown no sign of them, however, in recent years and has acquired a reputation for administrative ability and integrity. Unfortunately relations with him are difficult, as he is very retiring, almost stone deaf and knows no European language. His wife, who is equally retiring, now speaks a little French. 1934.)

Finland

(M. Onni Talas, fully accredited Minister, presented his letters of credence on the 17th October, 1934. He is also accredited to Budapest, Belgrade and Sofia, and has so far made only one short appearance in Angora.

From the little I have seen of him I have found him elderly, agreeable and friendly. 1934.)

Sweden

(M. Otto Wilhelm Winter, fully accredited Minister, presented his letters of credence on the 22nd November, 1934.

I have still had no opportunity of assessing M. Winter's abilities. He and his wife appear to be pleasant, straightforward, simple-living people. 1934.)

Bulgaria

M. Theodor Pavloff, fully accredited Minister, presented his letters on the 27th March, 1935. He was previously Minister in Turkey for some years until December 1932.

M. Pavloff's appointment here was very welcome to the Turks, indeed I have some ground for believing that they pressed it. He is a great improvement on his politically deplorable predecessor, M. Antoneff. With M. Pavloff here there is some chance of an improvement in the Turco-Bulgarian relations. He is *persona grata* to the leading personages in Turkey, not only by reason of his previous diplomatic mission to this country, but also because he speaks Turkish perfectly, and was, moreover, a Turkish Deputy in the days of the Party of Union and Progress.

M. Pavloff is married to a Bulgarian lady of diminutive, but not displeasing, appearance.

Roumania

M. Eugène Filotti, fully accredited Minister, presented his letters on the 5th May, 1935.

The new Roumanian Minister and his Roumanian wife both make an agreeable impression, and he seems to have a good press with the Turks.

I have as yet no material for a reliable opinion on his diplomatic ability, but he seems sensible and level headed, and should be a useful agent.

China

General Ho Yao-tso, first Chinese Minister to the Turkish Republic, presented his letters on the 10th May, 1935.

The general talks no language except Chinese, and interviews with him have consequently to take place with an English speaking interpretor of which his numerous staff includes several. General Ho's small stature, his gentle and almost deprecating demeanour would hardly seem to be the correct attributes for a truculent and ruthless Chinese warlord which rôle he is here popularly supposed to have filled.

He is most friendly and profuse in his professions of admiration and respect for England and the British race.

I doubt whether he knows much of any world outside China, or has possession of any matured ideas on international politics. It is possible however that a recent tour in the west of Europe has broadened his horizon.

The Turks do not seem to take the Chinese mission very seriously. I rather doubt there being any good reasons why they should.

Hungary

M. Zoltán de Marüssy fully accredited Minister presented his letters on the 10th June, 1935.

M. de Marüssy is a bachelor and has already become popular in the society of Angora, I think deservedly so certainly to the extent that numerous designs are being formed for his matrimonial entanglement.

I cannot yet form any view in regard to his professional ability, but I can vouch for his agreeable demeanour a pleasing and cheerful atmosphere which surrounds him and a very friendly feeling for England which strikes me as being quite sincere.

Czechoslovakia

M. Karel Hajda fully accredited Minister, presented his letters on the 20th June, 1935.

At first acquaintance admittedly slight M. Hajda impresses me as being agreeable, intelligent and friendly and as possessing more personal distinction than other Czechoslovak representatives with whom I have come in contact.

I have not yet met Mme. Hajda or their daughter.

Yugoslavia

M. Branko Lazarevitch Ly accredited Minister presented his letters on the 23rd October, 1935.

On first acquaintance I find M. Lazarevitch an improvement on his predecessor M. Yanovitch, less stodgy in manner and more open to intelligence.

It is yet too early to judge of his diplomatic ability.

Egypt

Mohammed El Mofty El Gazayerly Bey, Ly accredited Minister presented his letters on the 28th October, 1935.

It will be difficult for the new Egyptian Minister to rival his predecessor in personal popularity. M. Mofty El Gazayerly Bey is a well educated man and the indications which I have had of his intellectual ability are prepossessing. He was formerly a prominent Wafdist but, like so many Wafdists who have held diplomatic posts abroad, he has realised the futility in Egypt's own interest of the excessive extremist and anti-British elements in the Wafd's brand of nationalism and is persuaded of the ultimate indivisibility of Anglo-Egyptian interests.

I have nothing yet to show the character of his relations whether personal or official with the Turkish Government.

Mexico

M. Manuel Perez Treviño fully accredited Minister presented his letters on the 28th October, 1935.

M. Treviño is Mexican Ambassador at Madrid where he resides and the Legation at Angora is in charge of a Secretary.

I have not been able to make M. Treviño's acquaintance. He left for Madrid immediately after the presentation of his letters, thus rendering impossible any exchange of visits.

CHARGÉS D'AFFAIRES.

Spain

(Sr. Ricardo Begonay Calderón presented on the 30th May, 1933, the letter nominating him Chargé d'Affaires of Spain in Turkey. He has made an effort to spend more time in Angora than his predecessors, but is a somewhat colourless individual, who has made little impression in any milieu in this country. 1933.)

Netherlands

(The Legation has been in charge of Baron van Harinxma thoe Slooten, as Chargé d'Affaires, since the 31st March, 1933. Both he and his wife are agreeable and speak English well. They have acquired a residence in Angora close to His Majesty's Embassy. It is understood that, for reasons of economy, the Netherlands Government do not propose to appoint another Minister. 1933.)

Ethiopia

M. Berhane Mariam presented on the 8th May, 1935, the letter appointing him Chargé d'Affaires of Ethiopia in Turkey.

Except for an exchange of formal visits, I have hardly seen anything of M. Marcos.

He speaks excellent French, and professes Anglophil sentiments, probably genuinely.

It is hardly possible for him to cut much of a figure in Angora.

Iran.

The Ambassador, Mirza Sadik Khan Sadiki, having been obliged to retire on account of his age, the Embassy has remained during the greater part of the year in charge of the counsellor Mr. Noussa Nouri Esfandiary.

E 129 129 44] No. 3

Sir P. Loraine to Mr. Eden. (Received January 9.)

No. 6)

Sir, *Angora, January 3, 1936.*

IN his despatch No. 503 of the 24th October, 1934, Mr. Morgan foreshadowed the eventual assimilation to the rest of the country, by forcible means, of the wild and mountainous district of Dersim, situated between Elaziz and Erzincan and inhabited by a primitive Kurdish population of predatory instincts. The Government's plan for dealing with the situation has now been made known, and appears to be a compromise between normal administration and military repression, both of which methods have been tried in the past and found wanting.

2. Speaking in the Grand National Assembly on the 25th December, in support of a Government measure for the organisation of the Vilayet of Tunceli, the Minister of the Interior explained that the new vilayet to be formed under that name corresponded to the district previously known as Dersim. While however the latter had never constituted a strictly delimited territory, the boundaries of the new administrative division were fixed and definite. It was some 90 kilometres long and 60 wide, covered an area of from 450 to 500 square miles, and contained a population which M. Sukru Kaya characteristically affirmed was purely Turkish of between 60,000 and 70,000 souls. The region in question had been neglected to such an extent that even to-day its social organisation presented a mediæval aspect. The inhabitants, who were divided into ninety-one tribes, settled their own affairs, civil, judicial and even criminal. Since 1876 Dersim had been the arena of eleven military operations of a repressive character. The population were ignorant and poor by reason of the barrenness of the soil, and as they were armed incidents were constantly taking place in their midst. After declaring that similar backward areas existed in almost every country in France, in Italy and in Greece and outlining the reasons for the failure of previous attempts to cope with the people of Dersim, M. Sukrü Kaya stated that the Government of the Republic had decided to establish within this zone the civilised organisation enjoyed by the country as a whole. His Excellency was careful to add that this decision had not been taken as a result of any new abnormal situation and was at pains to assure the Assembly that no such situation existed in any part of the country.

3. According to the semi-official Anatolia Agency, the new Government measure (which was actually voted without opposition) provides for the appointment of an army corps commander, "who will retain his contact with the army and the benefits of the authority of his military rank" as Governor and military commandant of the Vilayet of Tunceli. The Governor-Commandant will moreover enjoy the prerogatives of the respective Cabinet Ministers in all administrative matters, and will be authorised to take all measures connected with residence and travel within the vilayet. He is also entrusted with the execution of death sentences, except those subject to appeal.

4. The new vilayet has been carved out of the Vilayets of Elaziz and Erzincan and roughly corresponds to the western half of the territory lying between the Murad Su and the Upper Euphrates to the north of it.

I have &c.

PERCY LORAINE.

[E 221 23/44] No 4

Sir P Loraine to Mr Eden (Received January 14)

[By Post

(No. 2 Saving Confidential)
(Telegraphic) R *Angora January 7 1936.*

FOLLOWING for Sir I Oliphant -

"My letters to you of 25th November 13th and 15th December

"2 Minister for Foreign Affairs having told me that purpose of his recent visit to Paris after Geneva was to see M Georges Bonnet about the question of a French credit to Turkey I took the occasion of a social gathering yesterday evening to attack him frontally about the precarious position on the Bourse of which Turkey seems to be as regards insufficient foreign exchange to meet her accepted external obligations I suggested that Turkish Government had been drifting and had been accumulating external obligations which were beyond their capacity of payment in foreign exchange and that they certainly ought to establish as rigid and searching a control of these two inter related factors as they had ever their national currency budget

3 I made it plain that I was speaking merely as a private friend of Turkey that my object was solely Turkey's own credit and dignity and my preoccupation that a new effort at External Loan should not be jeopardised by any imprudent financial policy as I feared might be thought

"4 Minister for Foreign Affairs said that he correctly recognised this and he believed everything which could be said in my language But it did not I thought provoke him to any observations upon my remarks

"5 He said that M Bonnet had received his representations in a most friendly and sympathetic way and that he now felt able to count on obtaining the credit a part which he sought M Bonnet had explained to him that matter could not be put through so quickly because negotiations were on foot for the purchase by Soviet Government with credit of about a milliard French francs Turkish Minister for Foreign Affairs had himself immediately declared that Turkish Government would certainly not wish to be an obstacle to granting of such a credit to their Russian friends and that he willingly conceded chronological preference to Soviet credit

"6 He told me positively if the French credit to Turkey matured that would suffice *and it would not be necessary to seek a further credit elsewhere* As regards a suggestion which I had made of possible Turkish inability to pay coupon on 7½ per cent obligations he said that if he got his French credit its payment was assured If he did not Turkey would do her best and no country could do more I said that would not avert a probably fatal shock to Turkish credit He said that 30 per cent margin on trade agreements would be set aside for paying coupons countries whence it was derived That would be proof of Turkey's good faith and she could make no more strenuous effort than that to fulfil her obligations

7 I said that obviously important as it was that bondholders should receive their due my point was that Turkish credit should not be shaken and I asked on what was based his assumption that if five years credit in Paris matured Turkey would be out of the wood after that period and not merely have postponed the evil day only to find herself in even deeper difficulty for I did not see that even an unexpectedly large increase in Turkey's foreign trade would make up the leeway in foreign exchange

"8 He said that there was no doubt at all that if Turkey could survive five years she would easily be on her feet again Before the end of those five years she would have in exploitation four sources of hitherto untapped natural wealth of which the principal one was copper The materials she would then be producing were as good as foreign exchange for they could be valued in world prices It was in order to exploit and market them that Turkey had created her budget with recent creation of her railway system I calculation on basis of actual world prices of the products of this exploitation have been most conservative and even so it showed that there would be a comfortable margin in Turkey's favour

"9 It is of course impossible for me on present available information to check the accuracy of his Excellency's statements, but I have hopes of obtaining from him some figures which might enable us to see clearer

"10 It is however necessary to let the Treasury know that Turks definitely reject charge of imprudence in their financial calculations and that Minister for Foreign Affairs firmly believes that optimism for the future is justified provided necessary accommodation can be found to tide this county over the next five years."

E 227 227 44] No 5

Sir S Waterlow to Mr Eden (Received January 15)

No 10)

Sir, *Athens January 9. 1936*

I HAVE the honour to report that the death of the Oecumenical Patriarch, His All Beatitude Photius II, at Constantinople on the 24th December last has been widely regretted in Greece It was the occasion of numerous articles in the press laying emphasis upon the saintly character of the deceased prelate and particular upon his services to the Greeks of Bulgaria during the Turkish persecution of 1903

2 King George the Archbishop of Athens the Primate of Greece and M Tsaldaris the head of the Populist Party sent telegrams of condolence to the Holy Synod of Constantinople and the Ministry of Public Instruction and Cults expressed upon the sympathy of the Greek Government to His Beatitude the Metropolitan Chrysostomos the representative of the patriarchate in Greece I addressed a letter couched in suitable terms to his Beatitude and have the honour to enclose copies of this reply (1)

3 General satisfaction was felt that for the first time in the history of the patriarchate a representative of the Vali of Constantinople should have been present at the funeral ceremonies and the Greek press interpreted this gesture as a sign that although not spoken by any State Turkey desired to demonstrate her goodwill by showing respect to an ancient Byzantine institution which is held in veneration by every Greek

4 I learn, however, from a good source that to find a successor to the late Patriarch who will be *persona grata* both to the Turkish and Greek Governments is not likely to prove an easy task The Turkish Government appear already to have informed the Phanar that any candidate elected must receive their approval and to have meanwhile hinted at the suitability of the present Metropolitan of Imbros Greek official circles on the other hand are understood to favour the candidacy of the present Metropolitan of Chalcedon (Kadi Keuy) and the possibility is apparently being discussed of moving the patriarchate to Mount Athos in the event of the views of the two Governments proving irreconcilable such a proposal would, however probably be strongly opposed by the other Orthodox Churches, particularly the Roumanian which, as the largest Orthodox Church, is credited with the desire to transfer the patriarchate to Roumanian soil

5 I am sending copies of this despatch to His Majesty's Ambassador in Turkey and to His Majesty's Minister at Bucharest

I have, &c
SYDNEY WATERLOW

(1) Not printed

E 353 353, 44] No. 6

Sir P Loraine to Mr Eden (Received January 21)

No 21)

Sir, *Angora, January 13. 1936.*

I HAVE the honour with reference to my despatch No 565 of the 30 November, 1935 to inform you that the Turco Soviet Protocol of the 7th November 1935, which extended for ten years the validity of the Turco Soviet Treaty of Friendship and Neutrality signed at Paris on the

17th December, 1925, was ratified by the Grand National Assembly on the 20th December, 1935

2. I am sending a copy of this despatch to His Majesty's Ambassador at Moscow

I have, &c.
PERCY LORAINE

[J 701 15 1] No. 7

Sir P. Loraine to Mr. Eden (*Received January 21*)

By Post

No. 4. Saving.
(Telegraphic.) *Endorsed* *Angora January 15, 1936*
MY telegram No. 19.

Following is text of communication made by Turkish Government to Italian Ambassador to-day:

Communication made

"La Ministère des Affaires étrangères a l'honneur de prendre connaissance de la communication orale faite au Secrétaire général de son département par son Excellence l'Ambassadeur d'Italie le 30 décembre dernier.

"La ligne de conduite du Gouvernement de la République vis-à-vis de ses engagements contractuels s'est toujours manifestée dans l'esprit de la fidélité absolue et il ne peut être question de la changer pour les besoins des circonstances et de manière à en altérer l'esprit et la lettre. C'est pourquoi lorsque la Turquie a demandé à la Société des Nations à préciser très exactement la portée des engagements nouveaux découlant pour elle du Covenant et à ne laisser subsister aucune incertitude susceptible de porter atteinte à ses engagements actuels à l'égard d'un grand pays voisin et ami. Les dites précisions consignées dans la lettre du Gouvernement de la République au Secrétariat général de la Société des Nations et dans celles remises à la même date aux représentants des Soviets, des États Unis d'Amérique, de l'Afghanistan et du Brésil montrent clairement la manière de voir de la Turquie concernant une application éventuelle des articles 16 et 17 du Pacte dans leurs parties relatives aux sanctions militaires.

"Pour des cas pareils le Gouvernement de la République a dès le début répudié le principe de l'automatisme bien qu'un tel principe ne découle nullement de la rédaction de l'article 16, alinéa 2.

"Dans la question de l'agression proprement dite la Turquie a déjà fait preuve d'un esprit avancé de décision en signant avec plusieurs autres États la Convention de la Définition de l'Agresseur qui règle de la manière la plus saine le mécanisme des traités politiques qu'elle a conclus avec la plupart desdits États.

"Soucieux au plus haut point d'harmoniser entre eux ses engagements internationaux le Gouvernement de la République est fermement convaincu qu'aucune incompatibilité ne peut valablement être relevée entre la conception qu'il se fait de l'application du Covenant et l'engagement de neutralité qu'il a contracté vis-à-vis de l'Italie (Traité de 1928, article 2).

"En effet si l'alinéa 2 de l'article 16 du Pacte se rapporte à des sanctions militaires à entreprendre au nom de tous les membres et sur délégation de la Ligue, l'alinéa 3 se réfère uniquement à des moyens de défense contre les mesures spéciales éventuelles de l'État en rupture de Pacte et il ne peut en cette circonstance être question de la procédure applicable au cas initial d'agression.

Or la réponse du Gouvernement de la République au Gouvernement britannique a précisément trait à la solidarité envisagée par l'alinéa 3, solidarité qui fait partie intégrante des sanctions économiques et financières édictées par la Société des Nations. L'éventualité de cette action collective de défense constitue un cas qui échappe aux prévisions des articles 1er et 2 du Traité turco-italien d'amitié et elle est exclusivement réglée par les

dispositions générales du Pacte de la Société des Nations, dont l'article 20 est de nature à écarter toute confusion entre ses termes et des traités spéciaux conclus entre les membres eux mêmes ou bien entre eux et les États non membres de la Société des Nations.

"L'action de défense faisant l'objet de la réponse turque au Gouvernement britannique comporte des mesures collectives et régionales de précautions et elles n'ont à entrer dans le domaine de l'application qu'en cas de danger couru par chacun des États engagés dans ce sens.

"Il ressort clairement de l'esprit et de la lettre du Pacte de la Société des Nations qu'un État membre appliquant des décisions édictées par la Ligue ne doit pas, de ce fait, courir le risque d'isolement et que partant il ne peut de son côté refuser son concours à la défense de ceux qui se déclarent prêts à lui venir éventuellement en aide.

Il est également manifeste que les circonstances postulées sont une attaque par l'Italie sur un État qui coopère dans l'application des sanctions financières et économiques parlent clairement pour elles-mêmes et n'exigent aucune appréciation.

En transmettant ces explications à son Excellence M. l'Ambassadeur d'Italie, le Ministre des Affaires étrangères est persuadé d'avoir par cela mis de nouveau le Gouvernement italien à même de juger le plus sûr de la fidélité du Gouvernement de la République à l'amitié italo-turque consacrée par le traité de 1928.

"Le soussigné qui est prêt à faire tout son possible pour arriver au plus tôt à des solutions italo-éthiopiennes et pour éviter l'extension du conflit, est d'avis dès le début que la ligne de conduite en tous points conforme aux engagements qu'elle a contractés comme membre de la collectivité internationale et ceux qu'elle a conclus pour établir avec l'Italie des relations empreintes d'esprit d'amitié. C'est dans le cadre de ses devoirs de coopération internationale et de collaboration amicale avec l'Italie que la Turquie entend continuer à servir les intérêts qui restent communs avec elle."

(Repeated to Athens No. 4 Saving, Belgrade No. 3 Saving, Rome No. 3 Saving, and Paris unnumbered.)

[E 431/431/44] No. 8

Sir P. Loraine to Mr. Eden (*Received January 23.*)

(No. 38.) *Angora January 18, 1936*

Sir,

I HAVE the honour, with reference to Mr. Morgan's despatch No. 473 of the 24th November 1933 relative to the inauguration of the reorganised University of Istanbul, to inform you that a second Turkish University is now in process of formation at Angora whereof a Faculty of Languages, History and Geography was solemnly inaugurated at the People's House on the 9th January in the presence of the President of the Republic, the president of the Grand National Assembly, the Prime Minister and the whole Cabinet, the Secretary-General of the People's party and the heads of the missions accredited to Turkey.

2. The Minister of Public Instruction whose opening speech was not considered worthy of reproduction by the semi-official Anatolia Agency, was followed by Mlle. Afet, described as Professor of History in the new Faculty and vice-president of the Association for the Study of Turkish History, whose discourse took the form of a professorial lecture and was reported by the agency at great length. Mlle. Afet may be a hard presumably is lacking in any academic publication but as the second favourite adopted daughter of the President of the Republic and the mouthpiece of his historical and linguistic views, she holds a position second to none in the Turkish learned world.

3. It will be seen from the enclosed extract from Mlle. Afet's address that these views have undergone an modification since as reported in Sir George Clerk's despatch No. 334 of the 13th October, 1932 they were publicly proclaimed at the first Turkish Linguistic Congress held in that year at Istanbul.(1) In

(1) Not printed.

civilisation the Turks led the world by several thousand years. Civilisation dawned in Europe in consequence of Turkish migrations from Asia. The Sumerians and Hittites were Turks and the civilisations which they founded in Mesopotamia and Asia Minor respectively were purely Turkish civilisations. So were whatever other civilisations flourished in Asia Minor under whatever name, the autochthonous population having always been of Turkish stock.

4. In paragraph 9 of his despatch referred to in the preceding paragraph Sir George Clerk described the President of the Republic's latest reform as "nothing less than the complete purification of Turkish from all foreign or at least Arabic and Persian influence." The description seemed to be fully justified in 1932, but the war on parasitical Arabic and Persian words begun tactfully to be carried effectively in 1935 deeper investigation having, it is alleged, revealed that they were so interwoven with those which had become ineradicably embedded in the language as to be inextricable. Moreover, the language has been disfigured by the adoption of a host of French words of horrid aspect in their Turkish dress, such as "konferans," "konsey," "miset" ("enquete"), disharmonious "hizmet," "havadis," "hattiz," "kelite," "eksenis," "enstitu," and numerous others, a goodly proportion of which have, by the way, already been proved by a painstaking daily contributor to the semi-official *Ulus* newspaper to be as purely Turkish as "Allah" or "Koran."

I have &c.
PERCY LORAINE

[E 543/62/44] No. 9

Mr Eden to Sir P. Loraine (Angora)

(No. 32) *Foreign Office, January 30, 1936*

Sir,

M. ARAS the Turkish Minister for Foreign Affairs visited me this morning accompanied by the Turkish Ambassador.

2. We discussed the subject of the orders for military aircraft which the Turkish Government wish to place in this country. M. Aras had spoken to me on this question in Geneva and as recorded in Geneva telegram No. 12 of the 24th January I had promised to make enquiries and to speak to him again about it in London. M. Aras began by saying that he would like me to know, purely for information, that the Italian Government had recently shown great anxiety to obtain these orders. They were so lavish with their offers of facilities that M. Aras could only conclude that they hoped thereby to detach Turkey from her solidarity with the sanctionist Powers. M. Aras emphasised that he only told me this as a friendly sidelight on Italian methods and repeated that the Turkish Government were most desirous of placing the orders in the United Kingdom. He then handed me the enclosed aide-memoire concerning Turkish requirements. I said that His Majesty's Government much appreciated the attitude of the Turkish Government and I would be glad to give whatever assistance they properly could. M. Aras had however laid stress in his opening remarks on the fact that the French Government had on occasion themselves financed armaments transactions with Turkey and as his Excellency clearly hoped that His Majesty's Government would follow a similar policy I was obliged to tell him that this was not possible for His Majesty's Government. The application of the export credits scheme to armaments was prohibited and any question of credit would therefore have to be taken up as a commercial transaction with the aeroplane manufacturers. Apart from the question of payment the question of delivery presented difficulties as this would have to be arranged to fit in with the needs of the Royal Air Force under its new programme. Here of course His Majesty's Government could assist and the action which the Air Ministry had already taken in promising to make available certain fighting machines from their own tested deliveries (see my telegram No. 11 of the 17th January) showed that a real effort was being made to assist the Turkish Government.

3. M. Aras expressed appreciation of what the Air Ministry was doing, and asked that the same helpful attitude might be extended to the delivery of bombers. I said that I had understood that the Turkish mission in this country had not

hitherto indicated what type of bombing machines they wished to select. This point was now cleared up by the memorandum which his Excellency had handed me, and the memorandum would be at once sent to the Air Ministry so that the position could be examined.

4. M. Aras then returned to the question of payment and I had to explain to him once more that direct assistance from His Majesty's Government was out of the question. I also referred to the difficulties which might be caused if the payment of the aircraft orders had to be effected through the machinery of the Trade and Payments Agreement of the 4th June 1935. I understood that British exporters already had to wait a considerable time for their remittances owing to the working of that agreement, and the effect on normal trade between the two countries had to be considered if the aircraft orders were to be dealt with under special machinery. M. Aras said that the difficulty of the Turkish Government was to find the necessary foreign exchange to finance transactions outside the Trade and Payments Agreement. The Turkish Government were ready to pay part in Turkish currency or in any way that could involve the immediate production of foreign exchange. For instance the possibility of some arrangement involving increased exports of Turkish tobacco might be explored. I said that the question of payment must of course be settled direct with the manufacturers but that His Majesty's Government would favour any suggestion to an arrangement outside the Trade and Payments Agreement if the manufacturers were willing to enter into them. M. Aras therefore urged that His Majesty's Government should pay three-quarters of the cost during the building of the machines to enable the manufacturers to commence their arrangements. I replied that I thought there might be difficulty about this but as M. Aras was anxious to press the point I said that I would draw attention to the suggestion of His Majesty's Government without in any way committing the Government. I promised that the aide-memoire would be most carefully examined and that I would return a reply to the Turkish Ambassador as soon as possible.

5. M. Aras then went on to speak of the note addressed by the Italian Government to the members of the Council and Committee of the League and of the steps taken by some of the latter to consult each other in view of the situation arising out of the application of sanctions. He said he would appreciate much those of the replies which His Majesty's Government proposed to return so that the Turkish Government might answer in a similar manner. I said that while I had not yet studied the matter in detail it seemed doubtful to me at first sight whether the note called for any reply which would only provoke an Italian rejoinder and prolong indefinitely a correspondence which might well be allowed to drop. After a short discussion M. Aras agreed that there seemed to be no need to send more than a bare acknowledgment to the Italian Government but he said that if His Majesty's Government did consider that anything more was necessary he felt that no special point ought to be taken up in the reply. I would let the Turkish Ambassador know.

6. M. Aras then tried to get me to promise that I would keep in close touch on questions of this sort not only with the Turkish Government but with the Balkan group as a whole. On this point however I declined to be drawn.

7. Just as he was leaving M. Aras mentioned that the French Government were turning over in their minds the idea of calling some conference to consider European security as a whole. He would like to send me his views on this idea. M. Aras's remarks on this subject were more than usually intricate and I said that the idea was a new one to me and that it would therefore be obviously premature for me to express any views. I did not wish to shut the door to anything which might improve the general situation but I should of course want to know much more about the idea before expressing myself on it. M. Aras concluded by saying that perhaps in the present circumstances it was wiser not to take any definite initiative. After all military considerations were at present in the forefront and it was perhaps better that ideas regarding the future organisation of peace should be explored in a different atmosphere.

I am &c.
ANTHONY EDEN

Enclosure in No 9

Aide-memoire communicated by M Aras to the Secretary of State, January 30, 1936

LES avions que le Gouvernement turc est désireux d'acquerir sont

50 avions de chasse dont

20 du type Gauntlet et
30 du type Gladiator et

30 avions de bombardement du type Bristol, de plus il envisage également la possibilité d'acquerir 6 hydravions dont il n'a pas encore déterminé le type

Le Gouvernement turc voudrait que le prix de ces avions soit réglé par la voie du clearing ou par tout autre moyen tel qu'avance gouvernementale, &c qui ne l'oblige pas à trouver en dehors de la voie normale du clearing, les devises étrangères nécessaires à ces achats.

Un autre point auquel le Gouvernement turc attache une grande importance est la rapidité et la régularité de la livraison ce qui pourrait être obtenu par la conséquence du Gouvernement turc d'un certain pourcentage d'ailleurs modeste des livraisons faites au Gouvernement britannique lui même par les dites fabriques Il serait souhaitable que les travaux fussent livrés et avec un certain retard pour les commandes qui seront faites en 1936 et ces avions de bombardement également au cours de 1936 tout au moins en grande partie

Il va de soi d'autre part que le Gouvernement turc désire qu'il soit bien entendu que les achats d'avions de chasse faits en 1937 bénéficient du même système de payement et soient soumis aux éventuels nouveaux modèles qui pourraient être acceptés par le Gouvernement britannique de façon à ce qu'une coordination puisse être établie entre les forces aériennes des deux pays

Le Gouvernement turc serait très reconnaissant au Gouvernement britannique s'il voulait bien s'entremettre pour la réalisation des désirs ci haut exprimés

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[E 626 334 44] No 10

Sir H Chilton to Mr Eden (Received February 4)

(No 68 bis) *Madrid, February 1, 1936.*

Sir,

I HAVE the honour to transmit herewith a copy and English) of a Turco-Spanish Commercial Agreement with a clearing agreement and protocol of signature, signed in Madrid on the 31st December 1935 The two agreements came into force on the 1st January and are to run concurrently for two years Both the agreements will be automatically renewed for a further period of two years unless one of the high contracting parties gives notice to terminate the commercial agreement three months before its date of expiry In the case of a dispute arising at any time out of a change in duties or surcharges which has not been settled by negotiation within one month the party that considers itself injured may give a month's notice to terminate the agreement

2 The chief points of the commercial agreement are that in exchange for various quotas of cotton piece goods iron and steel manufactures agricultural machinery lead, cement tiles and matches Spain grants Turkey a quota for 1936 of 50,000 metric quintals of eggs and 1,000 cubic metres of certain woods In addition to this reciprocal most favoured nation treatment is agreed upon for navigation imports of merchandise and goods in transit Most favoured nation duties are granted to certain specified products of each country on importation into the territory of the other Certain other specified Spanish products are to enjoy a reduction of duties (also specified) on import into Turkey

3 The clearing agreement provides that all payments for Spanish goods imported into Turkey shall be made to the Central Bank of Turkey in Turkish £ while payment for Turkish goods imported into Spain is to be made into the Banco Exterior de España 80 per cent in pesetas, for the clearing, and 20 per cent into a separate account in French francs, at the free disposal of the Central Bank of Turkey Private compensation trading arrangements may be entered into with the approval of the two clearing offices and a list of the goods for the exchange of which this approval will be given is included in article 9

4 The protocol of signature holds out to Turkey the offer of a quota of 20,000 metric quintals of wood for 1937 in consideration of which Turkey would repeat in 1937 certain quotas given to Spain which are stated in the commercial agreement to be for 1936 only

5 Copies of letters exchanged between the Spanish Minister of State and the Turkish Minister in Madrid are appended to the protocol and form part of it They constitute an agreement in principle to give reciprocally favourable consideration to requests from either party to the offer for

(*a*) Special Duties
(*b*) Amplification of the lists of products which shall enjoy most-favoured-nation duties
(*c*) Collaboration in foreign markets and marketing policy in regard to products in which both countries are interested such as fabrics, salt, olives oil and raisins

6 A copy of this despatch has been sent direct to the Department of Overseas Trade

I have &c
H G CHILTON

E 766 227 44 No 11

Sir P Loraine to Mr Eden (Received February 11)

No 62) *Angora, February 3, 1936.*

Sir,

I HAVE the honour to inform you with reference to my despatch No. 42 of the 18th January that on the 16th instant his Eminence Mgr Benjamin, Metropolitan of Heraclea was elected to the Oecumenical Throne in succession to Photius II

2 Mgr Benjamin's election was one to a variety of rather complicated internal manœuvres with which I do not think it worth while to burden you There was a demonstration of disapproval when the result of the election was announced with the result that the usual subsequent ceremonies were curtailed

3 The new Patriarch has spent most of his ecclesiastical life in the Phanar For a very short time he was Metropolitan of Rhodes He is reported to be somewhat sceptical as regards relations with foreign Churches and to lack the width of vision and the learning of his predecessor He is an energetic man and his health is frail

4 I am sending a copy of this despatch to His Majesty's Minister at Athens.

I have &c
PERCY LORAINE

E 1261/389/44] No 12

Sir P Loraine to Mr Eden (Received March 5.)

(No. 100.) *Angora, February 24, 1936.*

Sir,

I HAVE the honour, with reference to Mr Morgan's despatch No. 535 of the 25th October last and to connected correspondence, to inform you that the trial of Ali Saib Ursavas and others on a charge of complicity in a plot against the life of the President of the Republic, to inform you that the trial, which began on the 9th January, ended on the 17th February with the acquittal of the Deputy for Urfa and all the other accused This result is the more astonishing because modern Turkey provides no precedent for a wholesale acquittal on such a charge, nor indeed for the infliction of any penalty less than that of death in the case of some at least of the accused; and in the

present instance, as in previous cases, the dice were heavily loaded against the prisoners from the beginning.

2. On the last day of the trial the Under Secretary of State for the Interior, the Vali of Angora, and the Director-General of the Sûreté were called to give evidence. The Under Secretary, in the course of his deposition, as reported in the press, said that his Ministry had been following up the matter of the plot for the past year as a result of indications emanating from numerous sources. Finally, M. Demirel added, information afforded by a friendly Power led to the warning of all the provincial authorities that the plotters would enter Turkey by the coast or by the southern frontier. The deponent further stated that one of the ringleaders, Yahya Kemal, had surreptitiously crossed the frontier into Syria and gone to Damascus to buy arms and obtain money for private purposes. After recounting various steps which had been taken, he said to Yahya: "We were unable to help you on the side of the Greek frontier, so what can we do for you?" Yahya got in touch with Cevdet Sabri, established a frontier and subsequently returned to Turkey, where he was arrested.

The Under Secretary of State for the Interior, after giving evidence, was followed by the Director-General of the Sûreté who spoke of the information afforded to the Turkish authorities by a friendly Power.

3. The decision of the court, which left the two chief figures deliberately veiled, caused the greatest surprise. In the absence of proof of the contradictory statements made in court by the prosecution, and in spite of the fact that the prosecution had difficulties in proving the assertions of the accused that their alleged confessions had been extorted from them by forcible means,

I have, &c.
PERCY LORAINE.

E 1283 39 44 No. 15

Sir P. Loraine to Mr. Eden (*Received March 5*)

(No. 102.)

Sir, *Angora, February 24, 1936*

I HAVE the honour to inform you that the Anadolu News Agency, in its bulletins of the 19th and 20th February, published a speech made by M. Celal Bayar, Minister of National Economy, to the Turkish Industrial Congress which was recently summoned in order that the Government might learn the views of its members on the question of a five-year plan for the industrialisation of Turkey.

2. In his speech M. Bayar recalled the objections put forward when it was first decided to industrialise Turkey. These were:

(*a*) That the creation of industries in Turkey would diminish imports. Customs receipts would drop and the budget would suffer. Turkey would therefore be well advised to remain an important producer and exporter of raw materials.

(*b*) That Turkey was essentially an agricultural country and should remain so, as there were grave risks attendant on the industrialisation of an agricultural country.

(*c*) That the plan of industrialisation could not succeed because there was a lack of skilled labour.

(*d*) That the State's operation of the industrial plan left no scope for private enterprise.

3. M. Bayar declared that the citizens of Turkey had seen the results of the first industrial plan, and none had longer sustained the above objections. For:

(*a*) While it was true that Customs receipts had dropped owing to the creation of the sugar industry, and meant a loss of £T. 18 million in customs duties and other receipts, the whole total increased being £T. 195 million in 1935 as compared with £T. 170 million in 1933. Again the creation of new industries had resulted in greater employment throughout the country.

(*b*) Agriculturalists were unanimous in blessing industrialisation as it had brought about a rise in prices of raw materials and of agricultural produce.

(*c*) While it could not be denied that there was a lack of skilled and technical workers, still demand had called forth supply and, with some foreign help, the initial and most difficult stage of the Government's plan was being passed without much difficulty and at the same time local skilled elements were being trained and absorbed in to employment.

(*d*) As regards the alleged menace to private enterprise, the Government denied the allegation. Their goodwill to private enterprise was shown by the continued existence of the Law for the Encouragement of Industry. The Government, however, had to take into consideration the fact that private enterprise in Turkey was at present so unimportant that if the industrialisation of the country were left dependent on it, the task would require centuries to complete. The Government had consequently come to the conclusion that the State alone could make Turkey an industrial country in a short time. At the same time the State had tried to secure the co-operation of private enterprise in the work of industrialisation, but on condition that there should be no harmful rivalry and no undue concentration of all private capitalists on a few industries. The State had therefore defined certain zones within which private enterprise could devote itself to certain special industries. None had taken advantage of this scheme. The Government were forced to the conclusion that the private capitalist was concerned only with his own profit and not with the national welfare. Private enterprises in effect in Turkey could be classified under three heads:

(1) Those that were set up by foreign capitalists who found it to their advantage to operate in certain countries, and who were distinct from foreign capitalists who adopted their activities to Turkey's economic structure.

(2) Those who got permits for the construction of factories for the purpose of speculation.

(3) Those who took advantage of the State's policy of protection to further their own personal and short-sighted interests without regard to the requirements of the State's economic policy.

4. It will be seen from the foregoing that M. Celal Bayar, while theoretically welcoming the collaboration of private enterprise in the industrialisation of Turkey, finds no place for it in practice. In the execution of the industrial plan "the interests of the nation rank before those of the individual."

5. Having thus disposed of objectors and of private enterprise, M. Bayar proceeded to indicate the points to which urgent attention must now be given. These were:

(a) *Training of Youths in all Branches of Industry and particularly in the Mining Industry.* Thirty-five students must be sent to study abroad each year, and Turkey must have at least four young mining engineers by the time the five-year plan was carried out. With the help of the Sumer Bank students in other branches of industry would be trained abroad. Boys would also be sent to foreign countries to qualify for the mercantile marine service. The School of Arts and Crafts would be improved so as to ensure a good supply of specialised workmen.

(b) *The Mining Industry and Electrification.* Minerals were the chief means of payment for Government purchases abroad, so there must be a national mining policy. The mines cannot be left at the mercy of individual interests and of speculators, with the result that up-to-date technical methods and ideas were noticeably absent. A metallurgical industry must be created. The search for oil must be continued. Efforts must be made to produce synthetic petrol and its derivatives. This was not only a matter of national economy; it was most important for national defence. The production of synthetic petrol would therefore occupy a prominent place in the second five years' plan.

6. I am sending a copy of this despatch to the Department of Overseas Trade.

I have, &c.
PERCY LORAINE.

[E 1484, 129 44] No 14

Sir P Loraine to Mr Eden (Received March 19.)

(No 119)

Sir, *Angora March 4* 1936

I HAVE the honour with reference to my despatch No 427 of the 20th August 1935, regarding the creation of new Inspectorates General to inform you that, according to reports which have appeared in the press General Abdullah Alp Dogan has been appointed Fourth Inspector General and has taken up his headquarters at Elaziz the administrative centre of the newly created Vilayet of Tunceli (see my despatch No 99 of the 22 d February) of which he is the military commandant

2 It is not yet clear whether the boundaries of the Fourth Inspectorate General and those of the new Vilayet are identical

I have &c.

PERCY LORAINE

E 1502 28 44] No 15

Sir P Loraine to Sir J Simon (Received March 21)

(Telegraphic) *Angora March 13* 1936

As you will have seen from several telegrams which I have addressed to you meanwhile I have not lost sight of your letter of the 19th February which I hope by now you know so far as I can where the wind is blowing in Turkish circles

2 I have at last been able to have a talk to Tevfik Rustu Aras for the simple and convincing reason that he has returned here He left about the middle of January for the Council meeting at Geneva where he had subsequent visits to London and Paris He returned to Istanbul presumably in attendance on Ataturk and I was glad to see he was expected to return to Angora this week with Ataturk the satisfactory sequel of the special Council meeting to consider the questions raised by the German reoccupation of the demilitarised Rhine zone as sent him post haste back to London

3 I enclose however a memorandum on the Turkish financial situation which has been prepared by the acting commercial secretary and is based on information which has been communicated to him confidentially by M Carelli the Director General of the Ottoman Bank in Istanbul

4 This is probably the most accurate and most detailed information we are likely to get in regard to Turkey's commitments and availabilities in foreign exchange Even so you will see that there are a number of speculative points As I have telegraphed to you it seems likely that the May coupon will be met after that the outlook is a bit gloomy as Mr Roberts remarks Turkey is faced with the certain prospect of default during the five next years unless &c

5 Mr Roberts does not however add as he might to his two inclosures (*c*) the negotiation of a credit to Paris or elsewhere (*d*) the possible increase before or at the end of the five years of the export of Turkish commodities marketable at world prices (*e*) would of course, settle the matter presumably for five years at any rate With (*d*) we enter a realm of speculation Hence my suggestion that expert investigation into this matter might be very useful If Turkish optimism in this respect were to be confirmed by such investigation and if the investigation likewise showed that there was a market in the United Kingdom for these putative Turkish commodities the effect should be not merely to increase Turkey's availabilities in foreign exchange but also to quicken the flow and volume of Anglo-Turkish commercial exchanges for as I have so often and I fear tediously insisted the wished for increase in the volume of Anglo Turkish trade depends on the stimulation of Turkish exports to the United Kingdom and the capacity of the United Kingdom market to absorb them This I think you will agree is axiomatic

6 Yesterday Saracoglu Sukru Minister of Justice and Fuad Bey Acting Minister for Foreign Affairs since Aras's departure from Istanbul asked me to go and see him He wished to talk courteously enough exactly about the two matters which were the burden of your letter of the 19th February under reply viz the aircraft order and Brassert's proposed contract

7 He read me out a not particularly lucid translation of two telegrams, one from Fethi Okyar about the aircraft and the other from Faik Kurtoglu and Nurullah Esat about the Brassert business These two telegrams had one feature in common they both complained that the transactions in question were being locked owing to the declaration that I had made to His Majesty's Government that Turkey was going to default on the May coupon I therefore tackled this question first, and explained to Saracoglu that the doubts about the payment of the May coupon arose directly from the figures given by the Turkish Minister of Finance to Mr Wyatt I added that this information had been treated as confidential and that so far as I knew it had not leaked out to the financial or general public I told him moreover that I had expressed to you the opinion that if the Paris credit negotiations succeeded there could be no doubt about the punctual payment of the coupon and that if they did not only the sheer impossibility of effecting the transfer of the necessary foreign exchange would prevent the Turkish Government from paying the coupon which they had every intention of doing

8 I need not go into much detail about the language that Saracoglu held on the two particular points He was not really very clear in his own mind about what had happened about the aircraft order, and I think I was able both to enlighten him and to show to him that His Majesty's Government had done their utmost to meet the Turkish requests but that the question of finance was one which they could not overcome and were themselves precluded from guaranteeing As I had expected I was indeed optimistic about the coal business but through I asked Saracoglu to let me have any further news, and expressed the sincere hope that it would be a successful and credited transaction He knew quite well how deeply I thought that both His Majesty's Government and I have really at heart our best to facilitate it

9 As regards the Brassert affair Saracoglu was in great need of the assistance of the experts but it was to me entirely new one on Fuad and I therefore left to explain to him broadly the method of its functioning He thought that it was a pity that a company being created by or in association with Brassert (except Turkish commodities and market) had to give values sufficient to cover the outlay on the iron and steel plant for which the Turks would like to give Brassert a contract I said I could not on this being entirely unaware whether Brassert's are willing to accept any such combination

10 I did however find an opportunity to take him on a friendly and unofficial basis about (*a*) the negotiation in Paris, (*b*) the coupon question

11 As regards the Paris negotiation he sent for the latest telegram, and told me after reading it that the reaction of the French, after the sub marine tender had been adjudged against them was to diminish the amount of the credit under discussion The telegram ended by saying that the Turkish negotiators were still "en relations" This I took to mean that although the negotiation was not active it at all events had not been broken off He added that the French were also asking for the Iraq royalty at its present value but that the Turkish Government were definitely unwilling to hypothecate it, and least of all on such terms

12 Saracoglu then dwelt at length on the great difficulties that Turkey was having with the French How that while the volume of Turco-German exchanges was mounting rapidly and steadily a phenomenon which he did not seem to relish Turkey's trade agreement with France was not functioning at all He said that if only it would function to the extent of 75 per cent. of what had been anticipated matters would all round be very much easier especially in respect of the foreign exchange position But owing to the French quotas and the inability hitherto of Turkey to get them extended it was practically impossible to export to France and so to thaw the frozen balances He said he really could not understand French policy in this regard In her own currency Turkey was perfectly solvent indeed emphatically solvent French citizens held very much more of Turkey's foreign debt than any other nationality, and one would have thought he said that the French creditor would be interested in facilitating for his solvent Turkish debtor the transfer of the foreign exchange necessary to meet the obligations instead of rather secure the interests of the bondholders This could be done by taking Turkish produce or by furnishing a credit Yet on neither point it seemed was Turkey able to get any satisfaction He felt that the French attitude was extremely short sighted

13. As regards the coupon I said that I did not wish to put an indiscreet question but I should very much like to know what the prospects were as there was no doubt that the French Government were in difficulties as regards supplies of foreign exchange (Saracoglu as you will doubtless remember, was not long ago Minister of Finance and is therefore well qualified to speak on the subject) I hardly expected to get a tangible or definite answer nor did I But I did get a certain amount of information which may be useful Saracoglu insisted as have all the responsible Turks with whom I have touched on this question on the determination of the Turkish Government to meet their due obligations so far as in their power lay He pointed out that Turkey was conducting her finances as a modern State should with care and prudence that she continued to have balanced budgets, and that the figure at which these budgets balanced was steadily rising, so far as her own currency was concerned Turkish finances were in a perfectly sane and satisfactory state That is to say all matters under the direct control of the State were regulated in an orderly and methodical manner but the supplies of foreign exchange was a matter over which the Turkish Government could not exercise direct control although they had done their utmost to ensure its proving in the requisite quantities Unfortunately there were factors that militated against these efforts and for which they could not be held responsible Such for instance were the difficulties in regard to Turkish trade with France which he later on in the conversation included He did not say that there might come a moment at which Turkey would be unable or refuse to pay but to transfer He was not aware that any such step was under discussion or impending but if the Turkish Government thought it was impending there was no doubt that a strict and searching enquiry would be made into it and that any steps which it was then found necessary to take would be taken in a reasonable spirit of good sense and would be so far as possible in accordance with the Turkish determination to meet their obligations I then put to him the hypothetical case of a moment being reached when there was no surplus on account of foreign exchange available for the service of the obligations, should he think himself that the first step of the Government would be to deposit with the banks the equivalent in Turkish pounds of the deficit outstanding That is evidence of good faith He thought that the Turkish Government would then release the free balances reserved to them in various trade agreements for the benefit of the bondholders in the countries from which these balances were derived, and his calculation was that sufficient sums would then be available for meeting the coupon obligation Perhaps postulating the same hypothesis the Turkish Government might find it necessary to adopt "une mesure d'ordre général" which would of course be applied impartially in all cases lastly there was of course the possibility of reaching an arrangement with the bond holders He felt fairly confident that the Turkish Government would not boggle at the release of the free balances but he thought there might be some difficulty in practice for he believed that a number of French bondholders and the French bondholders were a considerable majority had sent their securities abroad e.g. to Switzerland and I maybe also to London in order that the coupon might be paid in places where it would escape the extremely heavy French taxation

14. The phrase which I employed in a recent telegram to you about the likely payment of the coupon except in the case of sheer impossibility of effecting the transfer seems therefore faithfully to reflect what I have found in the minds of Aras, Saracoglu and Numan The other characteristic in all the conversations I have had on this subject is the complete absence of any wish on the Turkish side to defraud the bondholder

15. I have already telegraphed you today that I used an opportunity in the course of this conversation to sound Saracoglu tentatively about the probable Turkish attitude towards an expert investigation of Turkish exportabilities and the possibility of marketing them in the United Kingdom these would certainly be scrupulously borne in mind in the other negotiations He said the Turks would welcome this and would give every possible facility

16. With me also I discussed the desirability of doing what could be done to stimulate and increase Turkish exports to the United Kingdom He was in full agreement this matter cropped up later on and I had to explain to him the hostility of the British public now to Turkish oriental tobaccos He said this was the greatest pity because Turkey could double her exports of tobacco, if only she could count on getting better prices for it

17. In reply to my enquiry as to the general and particular difficulties in regard to Anglo-Turkish trade which we have been discussing, he asked whether

it might not be possible to use the marks of which Turkey had the free disposal in Germany for the purpose of making more exchange available in England His idea was that on the supposition, which I was inclined to confirm that the balance of Anglo German trade was in Germany's favour, the Turks might take over some of our obligations in marks in Germany and be credited in London with the equivalent in sterling He asked me what I thought of this suggestion I said it seemed quite ingenious but I could pronounce no opinion on it because (a) I did not know whether our trade account with Germany was actually passive or (b) whether such a transaction was feasible under the Turco-German Trade Agreement He said he could not answer the second point off-hand but he thought the matter worth studying and he would have the legal position in that regard looked into, and let me know When he does let me know I will report to you again

P LORAINE

P.S. I should add that this letter was drafted after reading the correspondence enclosed in your despatch No. 75 of the 5th March which holds out hope that more light on the subject of Turkish finances may be forthcoming as the result of the visit to Paris of the Director General of the Central Bank of Turkey (cf Mr Wade's letter to Sir Quintin Hill of the 11th February)

I may also add that Saracoglu quite appreciates that recent events in the Rhineland may render it impossible for the time being at all events, to pursue the recent negotiations in Paris

P L.

Enclosure 1 in No 15

Memorandum on the Turkish Financial Situation

I HAVE attempted in the following memorandum to give some idea of Turkey's commitments in foreign currencies during the next five financial years and attached to this memorandum is a table prepared by the Ottoman Bank which gives a complete list of the Turkish Government's engagements in foreign currencies between the following years 1935-36 and 1939-40

2. The table has been compiled by the Bank on the basis of actual contracts agreements on the various laws passed by the Assembly, on budget estimates and on information given to M Garcin the Director General of the Ministry of Finance

3. Some analysis of the table will be made later in this memorandum but it is necessary to state that the figures given and any observations which may be made thereon must be regarded as being in some respects provisional only, as it is necessary to take into account the following factors, none of which can be estimated with any certainty:—

(a) A very large proportion of the Turkish Government's engagements between 1936 and 1940 is represented by commitments on behalf of the Ministry of National Defence. The bank's estimates are based on the sums authorised in various laws in regard to which the Ministry of Finance may contract engagements for military expenditure, but in view of the present financial situation it is possible that—

(i) The Ministry may refuse to exercise this authorisation to the full extent,
(ii) The Ministry may insist that as foreign exchange cannot be provided the military authorities must pay for the material they require either through the clearing agreement of the country in which the order is placed or by means of private compensation transactions.

(b) Certain of the Turkish Government's other commitments as shown in the Ottoman Bank's table are capable of liquidation through clearing accounts. A more detailed examination of this question is given below

(c) The principal source of Turkey's availabilities in foreign exchange cannot be determined with any certainty the current Turkey will receive in free exchange from her various clearing and payments arrangements depends on the volume of her overseas trade It is necessary to consider—

(i) The extent to which the development of the Government's industrial programme will decrease the demand for foreign goods a increase in falling off in imports will probably tend to provoke a corresponding decrease in foreign imports of Turkish produce

(ii) The effect on Turkey's resources if a large proportion of her availabilities in foreign exchange derived from exports have to be earmarked to cover outstanding military and other commitments. The value and volume of produce available for export is not illimitable, and if, from a normal average export of £T 100 million some £T 30–40 million have to be reserved for existing commitments, the amount of free exchange available will be appreciably diminished.

4. The Ottoman Bank's table shows the Turkish Government's liabilities in foreign currencies. But for the reasons given above these are capable of reduction, and some attempt, though necessarily a rather provisional attempt, is made below to determine the unescapable commitments of the Treasury.

5. In 1932 the Assembly appointed a financial commission to examine the budgetary situation, and this commission in its findings drew attention to the fact that the Government had undertaken contractual obligations beyond their capacity of payment, and that it was essential to lighten this burden.

6. As a result credits previously voted for public works and for the Ministry of National Defence were annulled in June 1932, the amount involved being £T 233 million for public works and £T 77 million for National Defence. In 1933, however, the Assembly once again voted credits for railway and port construction to the value of £T 160 million, and for National Defence to the value of £T 71 million. In the Ottoman Bank's table the engagements for 1935–39 under the heading of national defence are based on the credits which the competent departments are authorised to contract on behalf of that Ministry.

Ministry of National Defence

7. The amounts shown in the table represent totals of 85 million French francs during the present financial year and 165 million French francs during each of the next four financial years. In other words, foreign commitments which the Government is authorised to contract for national defence during those years represent more than twice the amount required for the service of the Ottoman debt. As far as is shown by the actual existing commitments in foreign currencies of the Ministry of National Defence amount to about £T 8 million for the financial year 1935–36 and a similar amount in 1936–37. It is principally in respect of a reduction in military expenditure that the Turkish Treasury base their contention that after 1940 their commitments in foreign currencies will be reduced by 50 per cent (this was the figure given by the Ministry of Finance to M. Garelli) but I should be inclined to doubt whether the present or succeeding Ministers of Finance will be able to impose on the General Staff, on financial grounds, a virtual cessation of credits, and consequently of supplies of material after 1940. The immediate problem before the Ministry of Finance is the possibility of being able to force the Ministry of National Defence to forgo part at least of the credit of £T 71 million spread over the next five years, of which some £T 16 million only have been used.

Industrial Programme

8. According to the official estimate a sum of £T 45,500,000 will be required to put the first five years' industrial programme into execution, but about one half of this amount will be spent in the country (local materials, labour, &c.), from this amount again should be deducted the credit of 8 million dollars granted by the Soviet Government, which is repayable in Turkish produce. The balance due in foreign currencies in payment for imported machinery, &c. (shown in the Ottoman Bank's table under the heading of "Industrial Programme") will be liquidated through clearing accounts.

Railways

9. The final payment to the Nydewist and Hotin group, which constructed the Feyzipasa Diarbekir and the Filyos Argora Railway, is due during the current financial year.

10. As regards the Julius Berger group, which constructed the Kutahya Balikesir and Ulukisla Bogazkopru Railways, payments for the years 1935–36 to 1939–40 represent arrears of bonds already due, imported material and profits.

11. Expenditure on the Sivas Erzerum Antalya Afyonkarahisar and Eregli Zonguldak Railways will be principally internal as the bulk of the foreign

rolling stock and other material required will be supplied by the German consortium (shown in the Ottoman Bank's table under the heading of "German railway material contracts, 1930, 1933 and 1934"). Payment to the German consortium, which supplies this material, will be effected through the Turco-German Clearing Agreement.

Anatolian Railway

12. As 70 per cent. of the shares and debentures in this concern are held in Turkey, only 30 per cent. of the amounts shown in the Ottoman Bank's table are due for transfer abroad.

13. According to the Ottoman Bank, which has taken into account the foregoing factors in endeavouring to establish the Turkish Government's financial commitments, the probable payments in foreign currency due by the Treasury will be the following:—

		£T
1935–36		
(*a*) Turkish Treasury		
French francs	196,000,000	
Dollars	814,000	
Marks	1,489,000	
Gold pounds	25,000	
Gold dollars	2,380,000	
		23,500,000
(*b*) Official Administrations—		
Swiss francs	9,390,000	
Pounds sterling	183,000	
French francs	35,787,000	
		7,900,000
		31,400,000
		(*c* £5,233,333)
1936–37		
(*a*) Turkish Treasury—		
French francs	289,000,000	
Dollars	814,000	
Marks	1,489,000	
Gold pounds	25,000	
Gold dollars	1,600,000	
		29,000,000
(*b*) Official Administrations—		
Swiss francs	9,390,000	
Pounds sterling	183,000	
French francs	35,987,000	
		7,900,000
		37,500,000
		(*c* £6,250,000)
1937–38		
(*a*) Turkish Treasury—		
French francs	289,500,000	
Dollars	814,000	
Marks	3,572,000	
Gold pounds	25,000	
Gold dollars	140,000	
		28,500,000
(*b*) Official Administrations—		
Swiss francs	9,390,000	
Pounds sterling	190,000	
French francs	35,987,000	
		8,000,000
		36,500,000
		(*c* £6,083,333)

		£T
1938–39.		
(*a*) Turkish Treasury—		
French francs	259,500,000	
Dollars	814,000	
Marks	9,064,000	
Gold pounds	25,000	
Gold dollars	140,000	31,500,000
(*b*) Official Administrations—		
Swiss francs	9,380,000	
Pounds sterling	190,000	
French francs	30,087,000	7,500,000
		39,000,000
		(*c* £6,500,000)
1939–40		
(*a*) Turkish Treasury		
French francs	259,000,000	
Dollars	814,000	
Marks	10,072,000	
Gold pounds	25,000	
Gold dollars	2,300,000	32,800,000
(*b*) Official Administrations—		
Swiss francs	9,380,000	
Pounds sterling	190,000	
French francs	30,087,000	7,600,000
		40,400,000
		(*c* £6,733,333)

14 It should be remarked, however, that the Ottoman Bank has, in establishing the figures given above assumed that the Ministry of National Defence will enter into engagements to the full amount of the special credits authorised by the Assembly As the credit still unused amounts to about £T 55 million the amounts given by the Ottoman Bank would be reduced by over £T 10 million per annum if the military authorities could be induced to enter into no further engagements

15. It should be added that in addition to the figures given in the attached table, the Turkish Government had borrowed from the Ottoman Bank at the end of October 1935 —

Pounds sterling	1,860,417
French francs	36,885,401

16. These borrowings are not immediately repayable and can be left out of the reckoning for the purposes of this memorandum

17 The principal, and the only considerable source of foreign exchange on which the Turkish Government can count is the money put at the free disposal of the Central Bank of Turkey in the various clearing agreements concluded by Turkey

18. With exports in the neighbourhood of £T 95 million per annum, the amount available from this source should be about £T 28,500,000 per annum, to which should be added say some £T 3 to 4 million from countries with which Turkey has no clearing agreement but a favourable trade balance The deduction of freights, insurance &c would leave Turkey with exchange availabilities of about £T 30 million per annum which would if military expenditure is not curtailed involve an appreciable deficit during the next five years

19 The immediate position as regards foreign exchange is extremely difficult

20 The sum of £T 9 million in exchange is due to Turkey by Germany representing the 30 per cent margin by the latter country but by the terms of the

clearing agreement with Germany this margin must be utilised for payments in Germany

21 In addition, over £T 20 million is blocked at the Central Bank of Turkey under the various clearing and analogous agreements with France, the United Kingdom, Belgium &c If these amounts could be released the Turkish Government would receive a further £T 6 to 7 million in foreign exchange

22 Negotiations are at present being conducted in France for the release of the £T 8 million blocked under the Turco-French Clearing Agreement, and German delegates will, in the near future, open negotiations in Angora for the renewal of the Turco-German Clearing Agreement which expires on the 30th April next The Turkish Government will no doubt make every effort to secure in the new agreement the free disposal of the foreign exchange due under the 30 per cent margin, for over 50 per cent of Turkey's overseas trade has now been diverted to Germany If Turkey fails in this endeavour, her financial future will be gravely compromised for failure will involve the loss of a large part of her foreign exchange availabilities. This factor is of the greatest importance.

23 The Directeur des Mouvements des Fonds at the Ministry of Finance informed my French colleague a few days ago that the position as regards foreign exchange was extremely critical He stated that the Treasury was making provision for the next Ottoman Public Debt coupon due on 1st May and had already transferred to the Debt Commissioners the proportionate amount of the coupon due up to the end of February, he added that the Turkish Government would part with their last penny of foreign exchange rather than default on the coupons But the fact remained He Director stated that now the export season was over foreign money was coming in in driblets the Treasury's stocks of foreign exchange was very small and there was little prospect unless relief could be obtained by an advance from the French Government and by the release of their credits in Germany that the Treasury could meet its foreign engagements in full this year, even by mobilising all its resources The Ottoman Bank, my French colleague and other persons with whom I have consulted all think that the Ottoman Public Debt payment in May will be met in any case but that unless some financial assistance is obtained the payment of the November coupon is very doubtful

24 To sum up Turkey is faced with the certain prospect of default during the next five years unless

(*a*) Further special military expenditure is cancelled or drastically curtailed
(*b*) Turkey is granted the free use of her 30 per cent margin by Germany

25 A loan of £T 10 million per annum over the next five years would enable the Treasury to meet its engagements but as practically all the commitments shown in the Ottoman Bank's table will continue to be payable after the financial year 1939–40 the solvency or otherwise of the Turkish Government after that date will depend on the extent to which military expenditure is reduced

N. S. R.

March 10 1936

Enclosure 2 in No 15

Engagements in Foreign Currencies

(In thousands)

		Approximate total amount of debt on December 31 1935	1935-36	1936-37	1937-38	1938-39	1939-40
1 Treasury							
Ottoman Public Debt	French francs	958 000	78 500	78 500	80 000	78 500	80 000
Match Monopoly Loan	Dollars	0 000	814	814	814	814	814
Germany Railway Material Contract 1933	Gold Marks	5 000	1 780	1 000	140	140	2 000
Germany Railway Material Contract 1935	Gold Marks	2 000	1 000	911	711	518	
Germany Railway Material Contract 1934	Marks	1 000	5 500	4 800	4 500	5 101	
National Defence	French francs		87 000	1 000	10 000	16 000	167 000
Public Works Nyegaard and Rand	Gold Marks		1 500				
Public Works Julius Berger	Marks	25 000	1 480	1 480	1 [illegible]	0 [illegible]	10 [illegible]
Banca Commerciale	Gold pounds	000	25	25	25	25	25
Foreign Specialists	French francs		6 000	6 000	6 000	6 000	6 000
Turkish Students Abroad	French francs		10 000	10 000	10 000	10 000	10 000
USSR Loan	Gold francs	8 000	100	500	100	100	500
Industrial Programme	French francs		18 000	40 000	40 000	80 000	
Total	French francs		107 500	280 500	280 500	280 500	250 000
	Dollars		814	814	814	814	814
	Marks		6 880	6 280	8 [illegible]	11 [illegible]	10 [illegible]
	Gold pounds		25	25	[illegible]	[illegible]	[illegible]
	Gold francs		4 [illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2 Official Administrations							
Anatolian Railway	Swiss francs	135 000	9 000	9 000	9 000	9 000	9 000
Smyrna-Cassaba Railway	French francs	162 000	12 765	12 765	12 765	12 765	12 765
Smyrna-Aidin Railway	Pounds sterling	1 000	116	117	116	116	116
Municipality of Istanbul Loan 1909	Pounds sterling		47	47	44	44	44
Municipality of Istanbul Loan 1913	French francs		1 850	1 850	1 850	1 850	1 850
Istanbul Water Company	French francs		1 300	1 300	1 300	1 300	1 300
Powder Monopoly	French francs	12 000	4 000	4 000	5 200		
Smyrna Quays	French francs	0 000	2 [illegible]	2 [illegible]	2 [illegible]	272	272
Istanbul Quays	French francs	4 000	3 000	2 900	2 500	2 500	2 [illegible]
Istanbul Telephone Company	Pounds sterling		12 000	12 000	12 000	12 000	12 000
State Shipping Lines	French francs						
Total	Swiss francs		9 000	9 000	9 000	9 000	9 000
	Pounds sterling		183	183	180	100	100
	French francs		35 [illegible]	35 [illegible]	35 [illegible]	40 [illegible]	30 [illegible]

E 1854/26/44] No 16

Mr Eden to Sir P Loraine (Angora)

No 118.)

Foreign Office, March 24, 1936

Sir

THE Turkish Foreign Minister asked to see me this evening He said that he was anxious to know His Majesty's Government's view as to the future course to be followed between the Locarno Powers, since he had been somewhat confused by the proceedings of the Council

2 I replied that though the immediate future was very difficult, I was myself convinced that we could not hope to make much progress until the French elections were out of the way If this was the position then it would be necessary to find some formula to tide us over that period The Minister at once replied that he entirely agreed with my appreciation of the situation

3 M Aras then went on to speak of the Italo-Abyssinian war He said that he was convinced that the Italians were attempting to force some agreement on the French, the terms of which were that Italy would back France to the full in Europe even to the extent of military assistance if sanctions were called off I replied that I had no information of the kind to which the Minister referred and that no French Minister had even hinted at anything of the kind to me Of course we could in no circumstances be a party to any such deal and if it were attempted it would cause a revulsion of feeling in this country The Minister said that he quite understood that and that the position of Turkey in this matter was the same as ours His information was that the French Ministers had been instructed to approach British Ministers on the subject, and that their "manque courage" in this respect was greatly irritating the Italians

4 The Minister then said there was another point to which he wished to refer I would recall that earlier in the afternoon he had wished to put before the Council a resolution with reference to the demilitarised straits, but, that at my request and that of one or two other members of the Council he had refrained from doing so for the time being None the less he wished to make clear the position of the Turkish Government they did not consider that the present position was either fair or safe for them Italy had strongly fortified her islands in the Dodecanese these were in truth the Heligoland of the Eastern Mediterranean They could only serve for two purposes to dominate the Suez Canal and to dominate the Dardanelles It was really not tolerable that Italy should have these highly fortified islands within a few hours sail of the Dardanelles and Turkey be forbidden the right to fortify in their defence M Aras added that I would be aware that the Turkish Government would never take any action except in conjunction with His Majesty's Government and the League What he wished to make clear now was that before negotiations in connexion with the Italo-Abyssinian war were finally brought to a close, the Turkish Government wished to raise the question of the Dardanelles, and to discuss that in relation to the fortification of the Dodecanese, with a view, I understood to either both the Dodecanese and the straits being unfortified or the Turkish Government being given permission to refortify

5 I replied that I fully understood the position of the Turkish Government in the matter and it was certainly not one of which I felt I had any right to complain at the same time the Minister would appreciate that in a matter of this gravity I would wish to consult my colleagues and our military and naval authorities. I would do this as soon as possible and would communicate again with the Minister in due course

I am, &c.
ANTHONY EDEN

[W 2746/48/98] No 17

Secretary General of the League of Nations to Mr Eden —(*Received March 28*)

(C J. 58 1936. V)

Protocol of Signature concerning the Statute of the Permanent Court of International Justice Optional Clause concerning this Protocol, and Protocol relating to the Accession of the United States of America to the Protocol of Signature

Signature by Turkey

Geneva March 25, 1936

Sir

I HAVE the honour to inform you that the Permanent Delegate of Turkey accredited to the League of Nations signed on behalf of his Government on the 12th March 1936—

The Protocol of Signature concerning the Statute of the Permanent Court of International Justice (Geneva December 16 1920) and

The Protocol relating to the Accession of the United States of America to the Protocol of Signature of the Statute of the Permanent Court of International Justice (Geneva September 14 1929)

The Permanent Delegate of Turkey signed at the same time the Optional Clause provided in the Protocol of Signature of the Statute of the Court, and made the following declaration:

(Translation)

On behalf of the Turkish Republic I recognise as compulsory *ipso facto* and without special agreement, in relation to any member of the League of Nations or State accepting the same obligation, that is to say, on condition of reciprocity, the jurisdiction of the court in conformity with article 36 paragraph 2 of the statute of the court for a period of five years, in any or all the disputes enumerated in the said article arising after the signature of the present declaration, with the exception of disputes relating directly or indirectly to the application of treaties or conventions concluded by Turkey and providing for another method of peaceful settlement. CEMAL HUSNI TARAY

"*Geneva March* 12 1936"

I have &c.
(for the Secretary General),
J. AUBOT
Acting Legal Adviser of the Secretariat

[E 1923/26/44] No 18

Turkish Ambassador to Mr Eden—(*Received April* 11, 1936)

D'ORDRE de son Gouvernement, l'Ambassade de Turquie a l'honneur de communiquer ce qui suit à son Excellence le Secrétaire principal de Sa Majesté britannique aux Affaires étrangères.

En 1923, lorsque la Turquie a consenti à Lausanne à signer la Convention des Détroits consacrant la liberté de passage et la démilitarisation, la situation générale de l'Europe, aux points de vue politique et militaire, présentait un aspect totalement différent de celui qui se présente aujourd'hui.

L'Europe marchait vers le désarmement et son organisation politique devait uniquement se fonder sur les principes immuables du droit consacrés par les engagements internationaux. Les forces de restrictions navales et aériennes étaient beaucoup moins redoutables et leurs tendances manifestaient dans le sens de la diminution. A ce moment la Turquie a signé des clauses restrictives de la Convention des Détroits avec l'assurance que lui donnait l'article 18 qui venait ajouter à la garantie de l'article 10 du Pacte de la Société des Nations l'engagement que les signataires et dans tous les cas les quatre grandes Puissances assumaient d'entreprendre en commun et par tous les moyens décidés à cet effet par le Conseil de la Ligue, la défense des Détroits menacés.

Depuis lors, la situation qui existait dans la mer Noire est arrivée à présenter un aspect de concorde en tous points rassurante, cependant que l'incertitude s'installait peu à peu dans la Méditerranée, les conférences navales ont montré un développement dans le sens du réarmement et les chantiers maritimes déverseront bientôt dans les mers des navires d'une puissance non encore atteinte. Dans le domaine aérien la course est vertigineusement ascendante et les fortifications continentales et insulaires se multiplient constamment.

Pendant ce changement complet de conditions la seule garantie qui devait parer à l'insécurité totale des Détroits vient à son tour de disparaître et, tandis que les Puissances les plus intéressées proclament l'existence d'une menace de conflagration générale, la Turquie par son point le plus vulnérable se trouve exposée aux pires dangers sans nulle contrepartie de cette insécurité angoissante.

En accédant aux demandes pressantes qui lui étaient adressées, la Turquie a accepté la démilitarisation des Détroits alors entièrement occupés par des forces étrangères, après avoir longuement pesé dans les conditions existantes la valeur des garanties matérielles qui lui étaient accordées, ce sans que la démilitarisation des Détroits et des zones avoisinantes ne devienne aussi au point de vue militaire une cause de danger injustifiée pour la Turquie.

A l'article 18 de la convention qui consacre la garantie de sécurité indissoluble et inséparable des clauses réglementant le régime des Détroits les signataires ont attaché une importance telle que les ont soigneusement affirmé que la garantie en question faisait partie intégrante des clauses de démilitarisation et de liberté de passage.

Ceci revient à dire que sans une assurance effective pratique et efficace il n'aurait pu être imposé à la Turquie une diminution de souveraineté sur une portion de son territoire dont la sécurité est indispensable à celle de l'ensemble du pays.

Il est également manifeste que si cette garantie devient inopérante ou incertaine, l'équilibre de toute la convention se trouve être rompu au préjudice de la Turquie et cela, de la paix européenne.

Or, des crises politiques ont démontré clairement que le mécanisme actuel de la garantie collective se déclanche avec trop de lenteur et que cette lenteur est de nature à faire perdre dans la plupart des cas le bénéfice d'une action internationale. C'est pour cette raison que la Turquie n'avait pas cru devoir en 1923, comme beaucoup d'autres Puissances actuellement, de la garantie collective que lui aurait assurée le Covenant dès qu'elle aurait fait partie de la Société des Nations, qu'elle avait jugé insuffisante la garantie collective de tous les signataires de la Convention des Détroits et que seule la garantie conjointe des quatre grandes Puissances lui avait paru susceptible d'assurer dans les conditions d'alors le minimum de sécurité indispensable à son intégrité territoriale.

Mais si ce minimum lui mérite est affaibli ou rendu problématique par les circonstances politiques et militaires entièrement différentes de celles qui présidaient à son établissement le Gouvernement de la République ne peut, sans se rendre coupable d'une négligence grave exposer tout le pays à un coup de main irréparable.

La position des garants de la sécurité des Détroits vis à vis de la Société des Nations, les circonstances particulières qui rendent pour le moins douteuse la collaboration militaire et effective de ces garants devant l'objectif qui leur est assigné sont des éléments qui ont bouleversé l'économie générale de la convention de 1923.

Il ne peut être affirmé aujourd'hui que la sécurité des Détroits est encore suivie par une garantie réelle et il ne peut être demandé à la Turquie de rester différente à l'éventualité d'une dangereuse carence.

Il y a lieu d'ajouter à ces considérations que la Convention des Détroits ne mentionne que les états de paix et de guerre dans ce dernier cas la Turquie étant entre belligérante sans prévoir l'éventualité d'une menace spéciale ou générale entre et permettre à la Turquie de pourvoir alors à sa défense légitime. Or il est amplement démontré aujourd'hui que la phase la plus critique d'un danger, c'est précisément cette phase de menace d'état de guerre pouvant survenir brusquement et sans nulle formalité.

Cette lacune peut à elle seule enlever son efficacité aux garanties envisagées, elle que soit la valeur de celles-ci. Dès le début de son existence la République turque s'est tracé une politique de paix et d'entente dont la réalisation dans tous

les domaines n'a pas manqué de lui imposer des sacrifices souvent lourds. Le Gouvernement turc a montré, dans les circonstances multiples qui se sont présentées pendant la dernière décade, un esprit de conciliation, de fidélité à ses engagements et d'attachement sincère à la cause de la paix qui a été apprécié par toutes les Puissances.

La sécurité que la Turquie a toujours assurée aux autres, elle est en droit de la réclamer pour elle-même. Des circonstances indépendantes de la volonté des signataires de Lausanne ont rendu inopérantes des clauses établies en toute bonne foi et comme l'enjeu en est l'existence de la Turquie et la sécurité de tout son territoire, le Gouvernement de la République peut être amené à prendre devant la nation la responsabilité qui lui incombe en adoptant les mesures dictées par l'impérieuse nécessité des circonstances.

Ayant en vue les considérations ci-haut relatées et estimant à juste titre que les dispositions de l'article 18 de la Convention des Détroits se rapportant à une garantie conjointe des quatre grandes Puissances sont devenues incertaines et inopérantes et qu'elles ne peuvent plus pratiquement couvrir la Turquie contre un danger extérieur visant son territoire, le Gouvernement de la République a l'honneur de informer les Puissances qui ont pris part aux négociations de la Convention les Détroits qu'il est prêt à entamer des pourparlers en vue d'arriver à bref délai à un accord destinés à réglementer le régime des Détroits dans des conditions de sécurité indispensables à la sauvegarde du territoire turc et dans l'esprit le plus libéral pour le développement croissant de la navigation commerciale entre la Méditerranée et la mer Noire.

Ambassade de Turquie, Londres,
le 11 avril 1936.

[E 2009/26/44] No. 19

Sir P. Loraine to Mr. Eden (Received April 16.)

(No. 170.) *Angora, April 3, 1936.*

Sir,

I HAVE the honour, with reference to my despatch No. 163 of the 6th April 1935, to transmit to you a copy of the report of the Straits Commission for the year 1935 (1).

2. It will be observed that, while satisfaction is expressed at the reduction as from the 1st January 1936, by 25 per cent. of the sanitary dues on ships passing through the straits in transit (see my despatch No. 343 of the 7th July 1935), the commission maintains the point of view on p. 9 of the report that the levying of these dues is a breach of the stipulations of the Straits Convention.

3. Reference is made, on p. 12 of the report, to the fact that the wireless beacon ("radiophare") at the northern entrance to the Bosphorus has been functioning when required since July 1935. Captain Macdonald informs me that the Turkish authorities are very anxious to receive reports from masters of vessels on the value and reliability of the beacon, the installation of which was, I understand, recommended by the Board of Trade some years ago on advice from Lloyd's, and I beg leave to suggest that the Board of Trade be asked to draw the attention of owners of vessels trading to the Black Sea to the desirability of their masters furnishing such reports. Captain Macdonald is informed that the Turkish Government are prepared to erect a similar beacon at the southern entrance to the Dardanelles if the present beacon is shown to fill a need and successfully to serve its purpose.

4. I may add that where flag signals are mentioned in the text of the report these are taken from the new International Code of Signals, which is in general use in the shore stations in the straits.

I have, &c.
PERCY LORAINE.

(1) Not printed.

E 2015/747/44 No. 20

Sir P. Loraine to Mr. Eden (Received April 16.)

(No. 182 E.)

Sir, *Angora, April 8, 1936.*

I HAVE the honour, with reference to my despatch No. 64 E. of the 6th February, to transmit to you the accompanying copies of the Turco-Swedish Commercial and Clearing Agreements, which were signed at Angora on the 29th February 1936 and take the place of those initialled in the exchange of notes of the 19th June 1934, copies of which were forwarded under cover of my despatch No. 321 of the 7th July 1934. The new agreements were approved by the Council of Ministers by Decree No. 2/4/8 of the 12th March.

2. The present agreements are to remain in force for a period of ten months from the 1st March, 1936, and may be prolonged by tacit consent for further successive ten-monthly periods in the absence of notice to the contrary three months before the end of the period in course.

3. I append the following observations on the agreements by the Commercial Secretary:—

Clearing Agreement.

This agreement follows the general lines of the previous one. As in the previous agreement, 40 per cent. of the sums deposited with the Swedish State Bank for account of the Central Bank of Turkey will be put at the free disposal of the Turkish Bank but Swedish exporters are no longer undertakes to ensure that the proceeds of free exchange remitted to Sweden by their agents will not be less than the equivalent of £T. 3,000 in each period of six months.

Private agreements between exporters and importers will require the consent of the respective State Banks.

In the previous agreement the sums deposited in Swedish crowns with the Swedish State Bank were to be converted into French francs on the present agreement deposits will not be converted into francs but will be used for the new agreement for the liquidation of the French franc account. Moreover sums deposited in the Central Bank of Turkey are to be credited in Swedish crowns and no longer in French francs.

Commercial Agreement.

No quota restrictions are placed on the entry of Turkish goods into Sweden. To the agreement are annexed

List 1.—Swedish goods which may be imported into Turkey free of quota restrictions. This list includes leather belting, animal glues, newsprint and other types of paper, empty paper rubber sheets and tubes, tyres for lorries, electric light globes, iron and steel ingots, angle iron, steel rails, iron and steel wire, iron and steel chains and pipes, iron and steel tools, cutlery, iron drums and other large containers, iron hardware, copper sheets, tubes, wire and hardware, lead bars and ingots, wireless apparatus, steam boilers. Petrol and oil engines are also included in the list but the prior authorisation of the Ministry of National Economy must be obtained before importation.

List 2. Special quotas are granted to certain Swedish products, including woollen piece goods, turpentine, wrapping paper, cardboard, rubber shoes and galoshes, galvanised iron pipes, horse or nails and locks, hemp, door and window fittings.

4. I am sending copies of this despatch to His Majesty's Minister at Copenhagen and to the Department of Overseas Trade.

I have, &c.
PERCY LORAINE.

Enclosure 1 in No. 20

Accord commercial entre la Suede et la Turquie.

LE Gouvernement royal de Suède et le Gouvernement de la République turque, animés du même désir de consolider et de développer les échanges commerciaux entre leurs pays respectifs, ont convenu de ce qui suit

Article 1er

Les produits d'origine et de provenance suédoises énumérés sur la liste 1 ci-jointe seront admis en Turquie à la libre importation, et ceux indiqués sur la liste 2 également ci-annexée à une importation limitée. Les exportations suédoises bénéficieront de plus du régime général d'importation en vigueur en Turquie

Article 2

Les produits d'origine et de provenance turques entreront en Suède sans être soumis à aucune mesure de contingentement

Hors de modification de ce système, les clauses du présent accord seront réadaptées d'un commun accord aux circonstances nouvelles

Article 3

Les paiements des échanges intervenus conformément aux dispositions du présent accord seront effectués suivant les clauses de l'accord de clearing signé aujourd'hui

Article 4

Les certificats d'origine des marchandises turques et suédoises importées dans les deux pays seront établis suivant le modèle ci-inclus. La partie B de ces certificats sera estampillée par les douanes du pays destinataire et rendue par ses soins à l'établissement où il aura à effectuer le versement.

Le Clearingkontoret et la Banque centrale de la République de Turquie se transmettront réciproquement le plus vite possible, la partie estampillée des certificats en annexant ces documents aux avis de versement prévus à l'article 5 de l'accord de clearing suédois-turc signé en date de ce jour. Lesdits certificats d'origine seront délivrés par les autorités compétentes des deux pays

Article 5.

Le présent accord est conclu pour une durée de dix mois, à partir du 1er mars 1936. Il pourra être prorogé par tacite reconduction pour des périodes de même durée sauf préavis de trois mois avant l'expiration de la période en cours

Fait en double exemplaire à Ankara le 27 février 1936.

Annex 1 to Enclosure 1 in No. 20

Liste 1

L'importation en Turquie des marchandises originaires de la Suède rentrant sous les positions ci-dessous sera admise sans aucune sorte de restriction ni limitation

No. du Tarif	*No. du Tarif*	*No. du Tarif*
66 a	534	649 d
89	538 a b c d e f	651(*)
327 a	539 a b c d, e f	652(*)
328 a	544 a	656(*)
330 a	551 b	657(*)
332	552 b	658(*)
342 a b	555 a, b	659(*)
390 b	557 a, b	660(*)
444	558 a, b	661
481 c(*)	563	662
488 a b	564	663
505	565	664
517	570 b, d	665
520 a b	598	666(*)
523 a 1 2	618	667 b
524	619	709 a
528 a b	633	
529 b	648 a b	

(*) Les importations sous les positions 481 c, 651, 652, 656, 657, 658, 659, 660, 666 seront soumises à la délivrance [illegible] par le Ministère [illegible] Les autres articles qui sont [illegible] Les autres articles qui sont [illegible] spécialement spécifiés [illegible] Sera effectué [illegible] préparé [illegible] ressortissant du Ministère [illegible]

Annex 2 to Enclosure 1 in No. 20

Liste 2.

Liste des Marchandises suédoises contingentées

No du Tarif turc	*Contingent en kg de dix mois*
106 b, c	4 167
231	6,667
306 a	10 000
324 a	70,833
b	70,833
c	300 000
331	5,000
337	5,000
341 c	66 667
447 a	50,000
b	8,333
529 c	58 333
532 c	333 333
533	8 333
541 a	108 333
b, c	16 667

Annex 3 to Enclosure 1 in No. 20

Partie A

CERTIFICAT D'ORIGINE

No.

Expéditeur	Destinataire
Nom	Nom
Domicile	Domicile
Rue	Rue

Nature de la marchandise

Mode d'emballage

Nombre de colis

Marque no.

Poids { brut kg / net kg

Valeur

Voie d'expédition

Il est certifié que les marchandises des présentes sont d'origine et de provenance de ... et que ce certificat est délivré conformément aux dispositions de l'accord ... conclu entre la Suède et la Turquie le 27 février 1936.

le 193

Partie B

CERTIFICAT D'ORIGINE

No.

Reprise de la formule ci-dessus.

Cette partie portera le même numéro que la partie A et sera estampillée par les douanes et remise à l'importateur afin d'être remise à la banque où s'effectuera le versement.

Enclosure 2 in No. 20

Accord de Clearing entre la Suède et la Turquie

AFIN de faciliter le règlement des paiements entre les deux pays le Gouvernement royal de Suède et le Gouvernement de la République turque ont convenu de ce qui suit :

ARTICLE 1er

Les paiements résultant des échanges de marchandises entre la Suède et la Turquie seront effectués suivant les règles et les modalités stipulées dans les articles ci-après.

ARTICLE 2

Toute créance commerciale résultant d'achats de marchandises d'origine et de provenance de l'un des deux pays sera réglée par le versement de la somme due à la Banque centrale de la République de Turquie ou à la Sveriges Riksbank, suivant le cas, par le débiteur au profit du Clearingkontoret.

Le Clearingkontoret inscrira les sommes encaissées sur un compte global en couronnes suédoises et non productif d'intérêts qui sera ouvert par ses soins au nom de la Banque centrale de la République de Turquie

ARTICLE 3.

Toute créance commerciale résultant d'achats de marchandises suédoises à exporter en Turquie devra être réglée par le versement de la somme due à la Banque centrale de la République de Turquie.

La Banque centrale de la République de Turquie créditera les sommes versées sur un compte global, en couronnes suédoises et non productif d'intérêts, qui sera ouvert par ses soins au nom de Clearingkontoret.

ARTICLE 4

La conversion des couronnes suédoises en livres turques et des livres turques en couronnes suédoises sera effectuée d'après les derniers cours connus d'achat et de vente de la Banque centrale de la République de Turquie.

Au cas où les factures ne seraient pas libellées en couronnes suédoises ou en livres turques les établissements se feront après conversion de la devise en couronnes suédoises d'après les derniers cours connus de Londres.

La Banque centrale de la République de Turquie avertira télégraphiquement la Sveriges Riksbank de tout changement de ces cours d'achat et de vente.

ARTICLE 5

La Banque centrale de la République de Turquie et le Clearingkontoret s'avertiront réciproquement de tous les versements qui leur seront effectués. Chaque avis fera mention des numéros du lot d'origine et factures pour permettre de les identifier sans retard.

Les paiements aux ayants droit seront effectués par les exportateurs en Suède par le Clearingkontoret et pour les exportateurs en Turquie par la Banque centrale de la République de Turquie. Ils seront effectués dans l'ordre chronologique des versements par ces établissements, sous réserve des disponibilités des comptes globaux susvisés.

ARTICLE 6

Les frais et commissions dus par les exportateurs suédois à leurs représentants en Turquie ainsi que les frais et commissions dus par les exportateurs turcs à leurs représentants en Suède résultant des échanges commerciaux effectués entre ces deux pays seront réglés par voie de clearing.

Toutefois les deux institutions se réservent le droit de vérifier et de contrôler la nature et l'emploi de ces sommes, et si elles représentent réellement la contre-valeur des frais et des commissions ci-haut mentionnés.

ARTICLE 7

Chaque Gouvernement prendra en ce qui le concerne les mesures nécessaires pour obliger les importateurs à employer le système de clearing tel qu'il a été exposé dans le présent accord.

ARTICLE 8

Les 40 pour cent de toutes sommes versées à la Sveriges Riksbank pour le compte du Clearingkontoret seront portés automatiquement dans un compte spécial en couronnes suédoises auprès de la Sveriges Riksbank et seront mis à la libre disposition de la Banque centrale de la République de Turquie.

ARTICLE 9

Si dans les relations d'affaires entre deux parties contractantes dont l'une établie en Suède et l'autre établie en Turquie, la possibilité se présentait d'une compensation directe de créances résultant d'achats et de ventes réciproques de marchandises il sera loisible à la Banque centrale de la République de Turquie et du Clearingkontoret d'autoriser cette compensation.

ARTICLE 10

Les contre valeurs des marchandises suédoises importées en Turquie pendant la durée de l accord de clearing du 10 juin 1934, ainsi que les contre-valeurs des marchandises afférentes à des contrats de livraison passés avant l'entrée en vigueur du présent accord et libellés en francs français, continueront à être versées au crédit du compte "Francs français" du Clearingkontoret auprès de la Banque centrale de la République de Turquie, conformément aux dispositions dudit accord

Les sommes ainsi versées au compte "Francs français" du Clearingkontoret et le solde créditeur accusé par ledit compte au moment de l'entrée en vigueur du présent accord seront réglés aux ayants droit en Suède par le Clearingkontoret et suivant l'ordre chronologique des versements et dans les limites du compte "Couronnes suédoises" qu'il aura ouvert sur ses livres au nom de la Banque centrale de la République de Turquie conformément à l'article 2 du présent accord

La conversion des francs français en couronnes suédoises sera effectuée d'après les cours cotés par la Sveriges Riksbank le jour du paiement

Toutefois au cas où l'une ou l'autre, ou plusieurs des opérations ci-dessus mentionnées à la liquidation du solde créditeur du compte "Francs français" du Clearingkontoret (les encaissements effectués en Suède pour compte de la Banque centrale de la République de Turquie seront portés sans préjudice des dispositions de l'accord de clearing du 10 juin 1934 au crédit du compte "Francs français" de cette dernière auprès du Clearingkontoret et cela jusqu'à concurrence du solde créditeur du compte "Francs français" du Clearingkontoret auprès de la Banque centrale de la République de Turquie constaté au moment de l'entrée en vigueur du présent accord

La Banque centrale de la République de Turquie indiquera au Clearingkontoret le solde qui existe sur ses registres en faveur de cette dernière dès la signature de l'accord

Les encaissements dépassant cette limite seront portés au crédit du compte "Couronnes suédoises" de la Banque centrale de la République de Turquie conformément à l'article 2

Les sommes en francs français payées par la Banque centrale de la République de Turquie en faveur du Clearingkontoret, conformément aux deux premiers paragraphes du présent article après le 1er mai 1936 seront payées aux ayants droit par le Clearingkontoret par le débit du compte "Couronnes suédoises" de la Banque centrale de la République de Turquie

Le Clearingkontoret indiquera sur ses notes de débit relatives aux paiements visés à l'alinéa précédent, l'équivalent en francs français des couronnes suédoises versées aux ayants droit en Suède, et la Banque centrale de la République de Turquie débitera de ce même montant le compte "Francs français" du Clearingkontoret pour désintéresser l'exportateur turc

ARTICLE 11

Le présent accord est conclu pour une durée de dix mois à partir du 1er mars 1936 Il pourra être prorogé par tacite reconduction pour des périodes de même durée sauf préavis de trois mois avant l'expiration de la période en cours

A l'expiration du présent accord les importateurs de l'un des deux pays en faveur duquel un solde subsisterait auprès de l'autre pays, devront continuer à verser la contre-valeur de leurs importations selon les dispositions du présent accord jusqu'à l'amortissement total des créances correspondant à ce solde De même les contre-valeurs des marchandises importées à crédit aux jours de la validité du présent accord et antérieurement à sa résiliation continueront à être versées au compte de clearing

Fait en double exemplaire à Ankara le 27 février 1936

Annex to Enclosure 2 in No. 20

Exchange of Notes.

(1)

M Winter to M Menemencioglu

Légation de Suede,
Ankara, le 27 février 1936

M l'Ambassadeur,

Votre Excellence a bien voulu m'adresser, en date de ce jour, une note ainsi conçue

"Me référant à l'article 4 de l'Accord de Clearing turco suédois signé en date d'aujourd'hui, et faisant suite à la demande que votre Excellence a bien voulu m'adresser, j'ai l'honneur de vous confirmer qu'au cas où les factures ne seraient pas libellées en couronnes suédoises ou en livres turques, les encaissements pourront être faits en Suède après conversion de la devise en cause en couronnes suédoises d'après les derniers cours connus des banques à Stockholm, tant que ces cours sont basés sur les cotations de Londres et que les variations de ces cours demeurent dans des limites normales

J'ai l'honneur d'accuser réception de cette communication dont je prends acte au nom de mon Gouvernement

Veuillez, &c
W WINTER

(2)

M Menemencioglu to M Winter

M le Ministre,

Ankara le 27 février 1936

Me référant à l'article 4 de l'Accord de Clearing turco suédois signé en date d'aujourd hui, et faisant suite à la demande que votre Excellence a bien voulu m'adresser, j'ai l'honneur de vous confirmer qu'au cas où les factures ne seraient pas libellées en couronnes suédoises ou en livres turques les encaissements pourront être faits en Suède après conversion de la devise en cause en couronnes suédoises d'après les derniers cours connus des banques à Stockholm, tant que ces cours sont basés sur les cotations de Londres et que les variations de ces cours demeurent dans les limites normales.

Veuillez &c
N MENEMENCIOGLU

E 2015/708/65] No. 21

Sir P Loraine to Mr Eden (Received April 16.)

(No 191 E.)

Angora, April 10, 1936

Sir,

I HAVE the honour, with reference to your despatch No 116 of the 24th March regarding German economic penetration in the Middle East to give below a translation of a leading article which appeared in the semi official Angora newspaper *Ulus* on the 30th March, 1936 The article seems to me to be a useful appreciation of German economic policy in the countries in Europe and Asia lying south-east of Germany —

"In 1914 Germany, besides possessing all the rights which it has now assumed was

(*a*) An exporter of capital,
(*b*) Owned colonies and
(*c*) Could freely sell in world markets.

Having all this, Germany wanted more and went to war
To day—

(*a*) Germany is one of the countries most deeply in debt both at home and abroad,
(*b*) She has no colonies, and
(*c*) As regards the world markets, some Russia, Turkey, China, &c are industrialised, and some, *e.g.*, by Ottawa are reserved for their owners

Alongside this situation, Germany's industry is on a larger scale and better equipped than in 1914 and its population is greater

So that for Germany, the need of expansion is greater than in 1914 but the possibilities are less

Let us try to guess what line Germany will find herself obliged to take

When Germany stopped paying debts and interest her relations with overseas countries came to a dead end, especially as regards getting raw materials Before that she used to obtain raw materials from overseas and sell the finished product to Central and Eastern Europe including Turkey When, on account of the crisis, Germany found difficulty in paying her debts she was forced to arrange clearing agreements with other countries which took the finished articles from Eastern Europe in the limits of their capacity Naturally the production of raw materials in the countries of Eastern Europe was not organised to a larger enough scale to cater for the needs of the expanding German industry But the cutting off of overseas credits and the Jewish boycott left Germany no alternative

The result of the sale of the German goods to the countries from which Germany drew their raw materials was that

(*a*) German exports and exports were confined to one and the same geographical zone
(*b*) Her commerce with the zone was diminished
(*c*) Following on the increase of commerce with Germany the cost at that zone also grammarly increased

The zone may be considered to stretch from Czechoslovakia south eastwards as far as Iraq and Syria In this zone (including the Balkans but excluding Turkey) the commercial situations is

	Million marks
England	160
Italy	140
France	80
Germany	370

It will be seen that Germany has as big a volume of trade as three big European countries

It is Germany's present policy to increase this trade, to buy where she sells, to make German trade the most important fact in each of the countries which both buy from her and sell to her, to escape from dependence on overseas countries for raw materials, to bring Central Europe and Eastern Europe into a position of dependence on German commerce This is the policy which is to bring about the economic expansion which Dr Schacht, Minister of Economy, has suggested should be part of the general foreign policy of the Third Reich

The big Powers know this They know that, if Germany sees no possibilities outside Europe her policy must be as described above

But the policy is one of larger for France and England for it means the establishment of German hegemony on the continent

For France there is also another danger The zone which is now the object of the German efforts Up to the present the scene of French great activities and the field of France's European policy since 1919 has been run on the basis of a group of French capitalists in this zone Wherever the German commercial steam roller passes in Central or Eastern Europe there French railroads are invested

The day on which the German political steam roller follows the commercial roller on that day French capital will be in danger

We are not treating here of the dangers which the countries in the zone run. We will only say that Germany's trade with the countries of Central and Eastern Europe represents, for Germany 2 3 or 6 per cent of her foreign trade, while for these countries it represents 40 50 and 60 per cent of theirs

Germany has now got quantity of rights But Germany cannot save herself with labour camps or war industries. Germany is compelled to try and place her economy on a firm basis and to entrust the defence of that basis to the force of arms which she is now free to make as strong as she likes

It is no new thing for German commerce to extend towards the south-east as it was so before 1914 the Bagdad Railway Berlin to the Persian Gulf But in those days markets were open there were economics Raw materials came in from one direction and the finished product went away in another To day Germany is obliged to intensify her commerce and to systematise it within the limits of one and the same trade zone"

2 I am sending copies of this despatch to His Majesty's representatives at Berlin Bagdad and Tehran and to the Department of Overseas Trade

I have &c
PERCY LORAINE

E 2017 625 44] No 22

Sir P Loraine to Mr Eden (Received April 16)

(No 193)

Sir *Angora April 10 1936*

I HAVE the honour with reference to your despatch No 116 of the 24th March regarding German economic penetration in the Middle East to transmit to you the accompanying copy of a memorandum on German economic penetration in Turkey prepared by the commercial secretary to this Embassy His memorandum which was drawn up on the lines contained in your despatch No 73 of the 31st March is relevant to the larger issue raised in your despatch under reply

2 It will be seen that German penetration in Turkey follows the same lines as penetration in Yugoslavia Germany however has not established in Turkey to the same extent as she has in Yugoslavia German firms to serve as inter mediaries for dealing with the export trade to Germany Nor despite the presence in Angora Constantinople and Smyrna of a number of Germans naturalised is there that large German minority which in Yugoslavia provides an additional opportunity of developing German business, and tends to give the process a political aspect The broad results of the penetration in Turkey and Yugoslavia are the same namely the accumulation of large frozen credits in Germany, the diminution of foreign exchange resources and the gradual elimination of trade with other countries Moreover both Turkey and Yugoslavia are beginning to suspect that the process is having a harmful effect on their economic situation

3 The position in brief in Turkey is that Germany being debarred from world markets by exchange difficulties buys a preponderant percentage of Turkey's products on a "clearing" basis with the result that Turkey is forced to buy very considerably in Germany Both countries are in a position to direct the flow of trade to the other owing to the existence of State monopolies and to the doubts to the State of the merchants in either country It should be noted moreover that Germany apart from being forced to trade increasingly with Turkey owing to the closing to her (Germany) of many world markets, finds it profitable to buy from Turkey more than is needed for German requirements in unwanted surplus can then be dumped in "free exchange" countries in return for free foreign exchange

4 I am sending copies of this despatch to His Majesty's Ambassador at Tehran and to the Department of Overseas Trade

I have &c
PERCY LORAINE

Enclosure in No 22

Memorandum by the Commercial Secretary at Angora

IN order to form an idea of the extent of the progress of Germany's economic penetration into Turkey it may be of some interest to review the relative position of her trade with this country over a number of years

2 In 1913 Turkey's most important suppliers were as follows —

	£T (*gold*)
United Kingdom	7,922 000
Austria Hungary	5 991,000
Germany	4 570 000
France	3,501 000
Russia	3,428 000
Italy	2 630 000
India	2 030 000

3 It will be observed that the United Kingdom headed the list of countries exporting to Turkey Germany being third The United Kingdom was also the principal purchaser of Turkish produce Germany being the sixth on the list of importing countries as will be seen from the following table

	£T (*gold*)
United Kingdom	4 761 000
France	4 246,000
Austria Hungary	2 787 000
United States	2 164 000
Egypt	2 119 000
Germany	1 574 000
Italy	1 097 000

4 During the armistice period restrictions on trade between Turkey and Germany reduced commercial relations of the two countries to a negligible figure The United Kingdom maintained her pre war position during this period but Italy which was sixth on the list of Turkey's suppliers, gained considerable ground and in 1923 took the lead the United Kingdom taking second place in order of importance It is not, however proposed to deal in this summary with Italian trade

5 During this same period Germany re-entered the Turkish market on equality with her competitors, and made rapid progress as will be seen from the following table —

	Imports into Turkey from Germany	Total Imports into Turkey	Percentage
	£T	£T	
1923	9 200,000	144 800 000	6 3
1924	19 100 000	193 600 000	9 8
1925	27 400.000	241 600.000	11 3
1926	32 300,000	234 700 000	13 7
1927	30 000.000	211 400 000	14 2
1928	31 700 000	223.500 000	14 2
1929	38 900 000	255 900 000	15 2
1930	27 500 000	147 500.000	18 5
1931	27 000 000	126 600 000	21 3
1932	20 000 000	86 000.000	23 2
1933	19 000 000	74 700 000	25 4

6 In 1924 Germany's export trade to Turkey continued to progress and she improved her position to third a position which she maintained throughout 1925 and 1926

7 In 1927 we find Germany heading the list a position which she has maintained ever since and notwithstanding a decline in the value of her export to Turkey as from the year 1930 her relative share of the total trade showed a marked increase representing 25 4 per cent in 1933 as against 14 2 per cent in 1927 This rapid advance is attributable to a progressive demand from Turkey under certain tariff headings such as iron and steel, locomotives and trucks, and

machinery, due to Turkey's railway construction programme, to other public works and public utility undertakings and to the development of national industries It is under these headings that German penetration manifested itself and this is not surprising for it should be borne in mind that in so far as railway material is concerned, Turkey's main railway systems have been based on German standards and specifications most of her pre-war rolling stock being of German manufacture and the principal technical employees received their education in Germany

8 This advantage was not going to be lost by Germany Every facility was granted to the Turkish Government in respect of the supply of railway material, German consortiums granting extensive credit with assistance and backing from their Government

9 Another factor which has also contributed to Germany's favourable position has been the influx of German advisers taking up appointments under the Turkish Government in different departments dealing with economic questions These advisers were only too willing to serve under the Turkish Government owing to economic and other considerations prevailing in Germany

10 The main cause however which is responsible for the increase in Germany's exports to Turkey is that the economic policies of both countries are directed on similar lines Although no detailed statistics are available since 1933, Germany has since that date further increased her share of Turkey's total import trade According to statistics given in the *Economiste d'Orient* the principal publication in Turkey dealing with commercial and economic matters, the value of Turkey's exports to Germany in 1935 amounted to £T 46,700,000 as against £T 33,800 000 in 1934 The value of German exports to Turkey in 1935 is given as £T 35 650 000 On the basis of these figures Germany absorbed 48 7 per cent of Turkey's total exports in 1935, as compared to 35 6 per cent in 1934 This further advance is due as stated above to the similarity of Turkey's and Germany's economic policy which was demonstrated by the clearing agreement of 1934 and 1935 between Turkey and Germany based on a balance of trade or barter system Germany having little or no foreign exchange available for ordinary commercial supplies from abroad was naturally only too ready to welcome any method of trading which involves no drain on her exchange availabilities and in this respect Turkey's policy of clearing agreements has led Germany to direct great attention to the possibility of trade with Turkey which is moreover able to supply her with the raw material she requires and which she is unable to obtain elsewhere under normal trading conditions Not only is Germany able to increase her own consumption of Turkish produce but she is able to market her surplus purchases from Turkey in other countries deriving foreign exchange therefrom Under the agreement between the Reichsbank and the Central Bank of Turkey to which reference is made in the Turco-German Clearing Agreement of 1935 the 50 per cent margin specified therein must be used for payments due to (*sic*? by) Turkey in Germany Germany is thus assured of the payment of debts The advantage to Turkey in her present commercial relations with Germany lies in the fact that she can dispose of a large proportion of her available produce at good prices But it is now realised by Turkey that the position has serious disadvantages In the first place the locking up of 50 per cent. of Turkey's free exchange availabilities has placed the Turkish Government in a very difficult position as regards their commitments in foreign currencies to other countries and the diversion of more and more of her trade to Germany inevitably tends to decrease her commercial relations with other countries and reduces the amount of free exchange available from those countries

11 Economic penetration under the present economic policy of Turkey must be looked upon from an angle entirely different from that of " pre-clearing " days for economic penetration in this country can now only be effected by increasing the volume of exports from Turkey There is a ready market in Turkey under present conditions for the goods of any country, more particularly those of the United Kingdom Turkish Government departments are only too anxious to place orders in the United Kingdom for they are anxious to restrict further German penetration in this direction in order to check the hold which Germany now possesses and which tends towards a gradual monopolisation of Turkey's foreign trade

[E 2024/26 44] No 23

Sir P Loraine to Mr Eden —(Received April 16)

(No 202 Very Confidential)

Sir, Angora *April* 10 1936

I HAVE the honour to confirm you with reference to my telegrams Nos 85 and 86 of to-day's date that the Turkish Minister for Foreign Affairs returned to Angora on the morning of the 8th April, and received me late in the evening of the same day, after a lengthy session of the Council of Ministers

2. I may add that it was the first opportunity which had occurred for seeing his Excellency for three months, which he had spent in Istanbul the only interval between a series of peregrinations principally to Geneva Paris and London

3 After having me some account of his activities in Paris and Paris, and after an exchange of views in regard to the general political situation in Europe with special relation to Italy Mussolini and the German reoccupation of the Rhineland his Excellency went on to speak in a matter of considerable importance to Turkish national interests, namely the demilitarised Straits Zones Having regard to the views which he proceeded to hold in this connexion I found it necessary to interrupt him for a moment whether he was approaching the subject on the basis of the Treaty of Lausanne or of the Covenant of the League of Nations He replied most emphatically that he was not considering the matter from the point of view of any obligations which we might have entered into under the Covenant but exclusively from the point of view of Turkey's own freedom of action

4 The case which M Tevfik Rustu Aras sought to establish was that conditions had substantially changed since the betterment of the security of Turkish territory which the Straits Convention was signed in 1923 for example

(1) The feeling of general security which was the natural result of the assistance which the Little Entente and the Balkan Pact powers rendered to Turkey in the event of the unilateral denunciation of the Treaty of Lausanne by Turkey in order to enable her to reoccupy the Straits zones was destroyed by Italy's unprovoked and unilateral denunciation of the Covenant of the League of Nations in the course of the general process of disintegration by the development of events in the Far East &

(2) That there was a perceptible growth of danger of war

(3) That the Italians had altered the position of the Mediterranean by fortifying the islands of the Dodecanese

(4) That the guarantee enjoyed by Turkey under article 18 of the Straits Convention was seriously affected by the fact that Japan had left the League of Nations and by that fact had refused to regard herself as bound by even international engagements which she had accepted so long as sanctions were enforced against her

(5) That the habit of unilateral repudiation of international obligations was spreading

5 His Excellency argued from these premises that Turkey would have to take action to safeguard her position in the Straits Area and thereby ensure the security of her national territory and he thought it might be a matter of days and hours before she found it necessary to do so. Turkey he said could not afford the risk of being taken aback at a moment when so many unpleasant surprises were being sprung

6 I told his Excellency that I had listened to his arguments with much interest but that they belonged in my opinion to the stage of a discussion of the question of the demilitarised zones which had not been reached and the desirability or necessity of which had not been formally raised He must, I thought have realised from the interview which he had had in the Foreign Office with Vansittart and myself on March 31st, the Department that His Majesty's Government had two preliminary questions to put to this question firstly did the Turkish Government intend to denounce the zones formally in spite of the obviously inopportune circumstances of the moment which it would create for the many other countries which were parties to the Straits Convention and secondly if they did intend to denounce the zones in a precise form would they do so either with the League of Nations on the basis of the Covenant of the League or by an application to all the signatories of the Straits Convention

7 The Minister for Foreign Affairs said that a Cabinet decision had been taken to the effect that this question must be settled before the settlement of the Italo Ethiopian dispute He himself was averse from using article 19 of the Covenant Here I taxed him with the dissemination of Turkey's allies to advertise the possibilities latent in article 19 of the Covenant He did not demur and he admitted that it was true in the case of some of those allies As regards the other method he expressed a decided preference for bilateral understandings with Turkey's other co-signatories I strongly deprecated this method pointing out that it opened the door wide not only to the suspicion, but to the fact of political bargaining

8 M Aras seemed to give way on this point but it then transpired that what he had in his mind was to ask the other signatories to send troops into the Straits Zones as a precautionary measure

9 Having made it clear that the gravest consequences would certainly be entailed by His Majesty's Government if any unilateral denunciation of the Straits Convention as involving a unilateral pre-judgment by Turkey of a matter which was the common concern of all signatories of the Convention, and as a measure of compulsion on the other signatories to discuss the revision of the Convention I did not conceal that such a step would be most unfortunate in present circumstances

10 He Minister pointed out that the step that he proposed was the only way in which he could hope to obtain a free hand in the Straits that the interests of Turkey's neighbours would ever accept cases of Turkish unilateral action but that the guarantee afforded by article 18 of the Straits Convention would be illusory if Turkey herself denounced the Convention and that the Straits Convention was the only one of the treaties which to rely that the Covenant itself might be interpreted as giving the occupation without notification which was all that I could claim when there was a clear will to threatening situation I pointed out that the guarantee would be illusory in other circumstances by Japan Switzerland was given a guarantee of her neutrality by the specially arranged guarantee to respect that neutrality but that the defection of one or more of the guarantors did not release the remaining obligators

11 I concluded by saying that in these circumstances I protested on behalf of my Government against the action of the Turkish Government in denouncing unilaterally the demilitarised zones that the existing Treaty of Peace and guarantees of the demilitarised zones that the permission to move troops on demand through the zones previously meant that they were debarred from sending troops to the zones and I reiterated the opinion I had already expressed that reoccupation was a clear breach of the Convention I added that I would be reminded in such an event by the United Kingdom I added that I was willing to listen with interest and friendly sympathy to the Turkish Government's explanations of the circumstances of to-day as affecting Turkish interests with appreciation of the circumstances of to-day as affecting Turkish interests and security but I could not feel asked to comment on the view which the Turkish Government took of those circumstances but if they intended to raise formally which they had not hitherto done, the question of the revision of the Convention in respect of the demilitarised zones I was concerned with the form of the procedure which the Turkish Government proposed to adopt On this point I had therefore expressed myself without any indication of my own views but I was obliged to point out that it was clear under any illusions that I was obliged to Turkey if I felt his Excellency under any illusions that the view which would be taken in the United Kingdom if the Turkish Government adopted the form of procedure which his Excellency had outlined to me

12 M Tevfik Rustu Aras said he entertained no doubts whatsoever about the friendly feeling which had inspired my observations he would now have to consider the matter forthwith his colleagues

13 At this point the conversation which had developed into a discussion of the Straits Zones ended

13 At this point the conversation which had developed into a discussion of the Straits Zones ended

14 At the conclusion of the interview his Excellency informed me that I had received a telegram of congratulations from the President of the Republic on the occasion of his birthday I thought it courteous to send a telegram to

14. In the late forenoon of the 9th April M. Tevfik Rustu Aras called me himself to the telephone and told me that, after seeing me the previous evening he had been to see the Prime Minister and subsequently the President of the Republic, in order to consider the situation in the light of the friendly observations which I had addressed to him the previous evening and the force of which had greatly impressed him. These discussions had proceeded far into the night, and he was glad to tell me that the Prime Minister had recognised the force of my arguments and had undertaken to support him in recommending to the Cabinet which was to meet again the abandonment of a reoccupation of the Straits Zones as a step simultaneous with the formal raising of the question with the signatories of the Straits Convention. He indicated to me clearly that the opposition to this view would come from the Turkish General Staff with the power and influence of which in questions of national security I believe you are well acquainted. I gathered moreover that the President of the Republic had also been won over to the thesis that I had defended. His Excellency also gave me to understand that the view of the General Staff was backed by the leaders of the People's party. This influence as you are also aware is very powerful especially in view of the fact that the Grand National Assembly which the People's party controls is the repository of the sovereignty of the nation and possesses by virtue of the Constitution executive as well as legislative powers. During the same telephone conversation it was also arranged that I should lunch privately on the following day with the Minister for Foreign Affairs in his house.

15. On the 10th April after I had lunching with his Excellency the Secretary General of the Ministry for Foreign Affairs and two of the members of the Minister's Private Secretariat M. Tevfik Rustu Aras took me aside in another room with M. Numan Menemencioglu and gave me a copy to read of the draft note of the communication which it was proposed to address to the interested Powers and also to the League of Nations. The tenor of this communication was briefly summarised in my telegram No. 86, and you will observe that it was based upon the line of argument which I had developed in my conversation with the President and Prime Minister on the previous evening. I was glad to find that the draft note was couched in very friendly terms and that it contained no word of criticism or reproach. It was explained to me that the Turkish Ambassador at London had been instructed to hand the text through the Turkish Ambassador at Paris to the Quai d'Orsay at 10 a.m. on the following morning, the 11th April, and M. Aras said he believed that I should be well content with the substance of the warning of this communication. He frankly admitted that neither he nor his colleagues had expected until he had reported the observations I had made to him on the 8th April that the measure of reoccupation they had contemplated as a necessary and warrantable guarantee of Turkish security would be regarded as a breach of their contractual obligations. They were now grateful to me for having pointed this out with such emphasis, and they had found the arguments which I had developed of the greatest use in persuading the Cabinet to adopt the course of action and procedure which was embodied in the draft communication. The draft his Excellency continued had not been an easy one to make. There was a great deal more that the Turkish Government would have liked to say and from their own point of view would have felt justified in saying but they had carefully pruned out of it anything which might have been regarded as unnecessarily controversial or might perhaps have touched the susceptibilities of other Governments interested in the question. Least of all did they wish to affect adversely British opinion or do or say anything likely to alienate British sympathies. He felt that the draft really met British opinion as I had expressed it to him and he greatly hoped that I should take a similar view. He believed moreover that it would be a source of satisfaction to me to know that the Turkish Cabinet had now come round to the view that it was in their own best interests as well as in those of international co-operation and correct procedure to follow the course which I had urged on them.

16. After carefully perusing the draft and asking several questions which had for their purpose to elucidate the exact meaning which the drafters had sought to convey by a phrase which led to some drafting amendments being made there and then I informed him that in my personal opinion the draft met quite adequately the point of view which I had defended and I expressed the hope that His Majesty's Government would find themselves able after due consideration to share this view.

17. With regard to the concluding paragraph of the draft I enquired whether the Turkish Government shared the view that I myself held that the process of revision of the Straits Convention if it took place should be as

restricted as possible. There was much in the convention that really would not be affected, and should not be affected, by an eventual alteration of the clauses connected with demilitarisation and it would seem to me a great mistake to throw the whole of the convention into the melting pot of a fresh negotiation. (In this connexion please see my despatch No. 176 of the 7th April.) I am glad to be able to inform you that M. Tevfik Rustu Aras replied that in principle he entirely shared my view, it was not the intention or the desire of the Turkish Government to throw the whole convention open to revision, or renewed negotiation, they would desire to retain intact those parts of it which were not concerned with the demilitarised zones, although it might be necessary to alter those portions in certain details in order to bring them into harmony with whatever new regime for the now demilitarised zones was to be brought into force. I myself consider that this assurance is essential and satisfactory one and I do not perceive that the reservation made by His Excellency was intended as a screen for undisclosed designs.

18. This discussion lasted till 4 p.m., at which moment I took leave of his Excellency who told me that he had to go to a meeting of the party leaders in order to obtain their concurrence in the action the Government was about to take. I returned to attendance on the President of the Republic who was to receive the Corps Diplomatique at 5 o'clock for the purpose reported in my despatch No. 203 of to-day's date.

19. After I had presented the King's letter to M. Kemal Ataturk his Excellency invited me to sit down and a conversation on current topics of general interest ensued. It was in the course of this interview M. Kemal Ataturk referred for the first time to the Straits question, and said that although he had already heard from the Minister for Foreign Affairs the views which I had urged on the Turkish Government he would nevertheless be glad if I would explain to him as he wished to hear them from my own mouth.

20. I therefore went over the ground again. I said that I had learnt with the greatest satisfaction of the decision of the Turkish Government not to raise any questions pending the result of our attempt to obtain a revision of the Straits Convention by agreement and with even greater satisfaction of their subsequent decision that it was not in their interests to take that course. Having regard to the generally pacific policy which the Government of the Republic had consistently pursued, having regard to the stand which the Turkish Government had taken, especially in quite recent years, to uphold national honour and dignity and to the scrupulous observance of international correctness and loyalty and to the sanctity of Treaty obligations I had felt strongly that it would have been a calamity if Turkey had exposed herself to the suspicion or even the suggestion that she was failing in her obligations and was prejudging unilaterally matters which were recognised by international instruments as being of common concern. Besides the importance of the matter for Turkey herself there was also the international importance. An example was much needed after the international defaults of Italy, Germany and Austria to show that questions of this kind could be solved through the proper channel and by agreement without resort to repudiations or unilateral acts of force, and I sincerely hoped that the present question might end in an agreed and generally satisfactory settlement which would help more than anything else to check the unfortunate series of contrary precedents that had recently been created.

21. M. Kemal Ataturk said that both he and the Turkish Government had greatly appreciated the frankness and sincerity with which I had urged British views on them. The decision taken by the Government had recognised the justice of those views. That decision nevertheless involved Turkey in a certain risk, and the Turkish Government had the duty of pointing out that risk. The uncertainties and anxieties which prevailed in regard to Italian and Italian policies and actions were very natural. He was himself entirely baffled about the probable nature of Italian reaction to the communication which was being addressed that day to the Italian and other interested Governments from Angora. The only thing he felt certain about was that the form of reaction if not actually aggressive would be aggressive intrigue and probably chicanery. It seemed really incredible that one would have to regard a guarantor as a possible aggressor but in this case neither he nor the Turkish Government could entirely discount this possibility from their calculations.

22. It was moreover impossible not to take note of Signor Mussolini's avowed intention of recreating the Roman Empire perhaps even the conquest of Abyssinia if realised would not satisfy him and if it did not one wondered what would be the next step in his expansionist programme. Maybe the risk was a

remote one, but in any case the Turkish Government were accepting it for the sake of international correctness and legality

23 In conclusion, his Excellency thanked me for the explanations I had given of my point of view and for the friendly counsel I had given to the Turkish Government which, he assured me, was cordially appreciated and afforded further evidence of the friendliness and candour which he and the Turkish Government had learnt to expect from me

I have &c
PERCY LORAINE

(E 1970 28/44) No 24

Mr Eden to Bey Fethi Okyar

Your Excellency *Foreign Office April 16 1936.*

ON the 11th April the Counsellor of the Turkish Embassy communicated to my Department an aide-mémoire dated the 11th April expressing the desire of the Turkish Government to enter into discussions with the interested Powers with a view to the revision in the light of existing political and military conditions of the Convention relating to the regime of the Straits signed at Lausanne on the 24th July 1923 I understand that a similar aide-mémoire has been communicated not only to the other signatories of that Convention but also to the Secretary General of the League of Nations for the purpose of communication to all members of the League

2 I have noted from the communication which his Excellency the Turkish Minister for Foreign Affairs has been good enough to give to His Majesty's Ambassador in Turkey that the objects which the aide-mémoire is designed to obtain relate only to the military clauses of the Convention

3 The request of the Turkish Government for the reconsideration of these clauses raises issues which require careful examination and you will appreciate the fact that His Majesty's Government in the United Kingdom will need to consult His Majesty's Governments in the Dominions before expressing detailed views

4 While compelled, therefore to reserve their comments for the time being on the substance of the aide-mémoire of the 11th April His Majesty's Government in the United Kingdom nevertheless recognise that the request for discussion contained therein is one which the Turkish Government are fully entitled to make and they regard it as a valuable proof of the fidelity of the Turkish Government to the principle that international treaties cannot be modified by unilateral action On behalf of His Majesty's Government in the United Kingdom I therefore have pleasure in assuring your Excellency without delay, that they are ready to discuss the question which has been raised at such time and in such manner as may be found most convenient to all concerned

I have, &c
ANTHONY EDEN

(E 2267, 26 44] No 25

Sir G Clerk to Mr Eden (Received April 25)

(No. 252)

Sir, *Paris April 24 1936*

I HAVE the honour to forward herewith the text of the French Government's reply to the note of the Turkish Ambassador in Paris with regard to the desire of the Turkish Government for the modification of the regime which at present governs the demilitarised zone of the Dardanelles I gather that this *note verbale* is to be handed to the Turkish Ambassador to-day

2 In making this communication M de Saint-Quentin informed His Majesty's Minister that the French Government were prepared to agree in principle to the Turkish demands but that when the discussions took place, they would insist on a very careful examination of the guarantees of the free navigation of the Straits which the Turkish Government would be required to give

I have &c
GEORGE R CLERK

Enclosure in No 25

Note from French Government to Turkish Ambassador, Paris

L'AMBASSADE de Turquie a bien voulu par note du 11 de ce mois faire connaître au Ministère des Affaires étrangères que le Gouvernement de la République turque préoccupé d'assurer la sécurité de son territoire était désireux d'entamer des pourparlers en vue d'arriver à la conclusion d'accords destinés à modifier certaines clauses du régime des Détroits, actuellement fixé par la convention signée à Lausanne en 1923

Le Gouvernement de la République française est heureux de se rencontrer une fois de plus avec le Gouvernement de la République turque pour estimer que les intérêts territoriaux de son allié méritent d'être modifiés par une action unilatérale

Tout en appréciant à leur juste valeur les motifs qui ont inspiré la demande du Gouvernement turc, le Gouvernement français n'est pas en mesure de se prononcer sur les questions complexes qu'elle soulève avant d'avoir procédé à l'étude approfondie qu'il n'a pas manqué de entreprendre aussitôt après en avoir été saisi Mais cet examen, dès à présent, sera préparé et discuté au moment et de la manière qui conviendront le mieux aux parties intéressées

Le Ministère des Affaires étrangères se fait l'agréable devoir de prier l'Ambassade de bien vouloir transmettre à son Gouvernement la réponse qui précède

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E 2377, 28, 44] No 26

Sir P Loraine to Mr Eden (Received April 30.)

(No. 210 F)

Sir, *Angora April 18, 19, 0*

I HAVE the honour with reference to my despatch No 183 F of the 20th April, 1935, to transmit to you the accompanying memorandum by the commercial secretary of His Majesty's Embassy on the Turkish budget estimates for the financial year 1936-37

2 I am sending a copy of this despatch to the Department of Overseas Trade

I have, &c
PERCY LORAINE

Enclosure in No 26.

Memorandum on the Budget Estimates for the Financial Year 1936–37

TABLES showing estimates of revenue and expenditure are attached (1)

These estimates provide for a total revenue of £T 216,800,000 as compared with £T 195,013,000 in 1935-36 an increase of £T 21,877,000, whilst the estimates of expenditure amount to £T 216,882,265, as against £T 195,011,000 1935-36 an increase of £T 21,871,265

On the basis of these estimates a small surplus of £T 7,735 is provided for

(1) Not printed

The marked increase in the estimates of revenue is not so great in reality as it appears to be, as the following sources of revenue, which existed during the current financial year but were not incorporated in the 1935–36 budget, have been included in the 1936–37 estimates —

	£T
Tax on wheat	6,600,000
Aviation tax	3,500,000
	10,100,000

The real increase in revenue amounts therefore, to £T 11 770,000 and is based on the surplus realised during the first eight months of the current financial year

Increases are anticipated in the revenue from the tax on live-stock, profit tax, customs duties, transaction and consumption taxes, monopolies, aviation taxes and the crisis and equilibrium taxes, whilst decreases are budgeted for in land and house property taxes and the consumption tax on sugar

The Ottoman Bank is of opinion that the Turkish Government is too optimistic in regard to the estimated increase in customs duties, as with the development of local industries the importation of foreign manufactures will decrease

As regards expenditure, the proposed vote for the Ministry of National Defence shows an increase of £T 9,350,000 distributed as follows

	£T
Army	4,007 447
Navy	1,851 484
Aviation	3 507,289
Military factories	32,000
Cartographical section	151 869

The total estimated vote for the Ministry of National Defence is £T 66,562,308 to which must be added the amounts payable in respect of past contracts which are included in the vote for public debt

Other departmental estimates which show an increase are

	£T
Ministry of Finance	3,486,000
Ministry of Public Health	800,000
Ministry of Education	1,800 000
Ministry of Economy	400 000
Ministry of Agriculture	3 700 000
Public Debt	352,642

[E 2688/26 44] No 27

Sir R H Campbell to Mr Eden -(*Received May* 11)

(No. 115)

Sir *Belgrade May* 6, 1936

THE Assistant Secretary General was recently so good as to hand me a copy of the aide-memoire which, as I reported in my telegram No. 43 of the 29th April the Yugoslav Government addressed to the Turkish Government on the 28th April on the subject of the refortification of the Dardanelles I have the honour to transmit a copy of this communication herewith.

2. I am forwarding a copy of this despatch to His Majesty's Ambassador in Turkey

I have &c.

R H CAMPBELL

Enclosure in No. 27

Aide-mémoire

LE Gouvernement royal a l'honneur de confirmer la réception de la note du 1 avril se rapportant à la question des Détroits

Le Gouvernement royal est d'accord avec le Gouvernement de la République en ce qui concerne la procédure à suivre pour changer la Convention des Détroits, afin d'arriver au but proposé soit la sécurité indispensable à l'inviolabilité du territoire turc et le développement constant dans l'esprit le plus libéral, de la navigation commerciale entre la Méditerranée et la mer Noire

Quoique le Gouvernement royal n'ait pas signé la Convention de 1923 il considera les efforts du Gouvernement de la République amie et alliée en vue obtenir le résultat désiré dans la note du 11 avril

En portant ce qui précède à la connaissance de la Legation de Turquie, le Ministère royal des Affaires étrangères a l'honneur de lui présenter l'assurance de sa très haute considération.

Belgrade, le 28 avril 1936

E 2752 26 44] No 28

Sir R Clive to Mr Eden (Received May 15)

No 225)

HIS Majesty's representative at Tokyo presents his compliments to the Secretary of State for Foreign Affairs and has the honour to transmit herewith copy of a note from the Japanese Minister for Foreign Affairs, dated the 25th April respecting the Dardanelles question.

Tokyo April 27 1936

Enclosure in No 28

Mr Arita to Sir R Clive

(Translation)

Sir *Tokyo, April* 25. 1936

I HAVE the honour to acknowledge the receipt of your Excellency's note of the 18th instant, in which you communicated to me for the information of the Imperial Japanese Government the substance of the reply of His Majesty's Government to the Turkish Government's proposal of the 11th April relating to the question of the Straits and to express my deep thanks for this communication

I have the honour to inform your Excellency, for the information of His Majesty's Government, that with regard to the proposal put forward by the Turkish Government in this matter the Imperial Japanese Government on the 24th instant replied to the Turkish Government through the Turkish Ambassador in Tokyo, that they were agreeable to the opening of negotiations with a view to the establishment of a new agreement which would be appropriate to present circumstances, and that they hoped that such negotiations would be carried out at such time and in such manner as might be convenient to all the countries concerned

I avail, &c.

HACHIRO ARITA

Minister for Foreign Affairs

[E 2928/28/44] No. 29.

Record of a Conversation (No 1) with M Numan Menemencioglu, the Secretary General of the Turkish Ministry for Foreign Affairs, regarding the Proposed Revision of the Straits Convention of July 24, 1923

General

M NUMAN arrived in London, as the guest of His Majesty's Government in the United Kingdom, on the afternoon of Wednesday, the 20th May, and Mr Rendel, who met him on his arrival, suggested that as M Numan's time was limited it would be desirable to have a preliminary, exploratory conversation about the Straits that same day as a prelude to more general conversations, in which representatives of other departments might take part M Numan readily agreed, and Mr Rendel accordingly called on him at the Hyde Park Hotel at 6.30 P.M. The Turkish Ambassador and Mr Baggallay were also present

2. M Rendel began by enquiring how matters stood with regard to the holding of a conference at Montreux on or about the 22nd June as proposed by M Aras at Geneva. M Numan replied that his latest information was that all the Powers concerned had agreed to this time and place except France and Italy. M Litvinoff had however agreed in principle at Geneva and it was possible that this agreement had by now been confirmed. The Italian Government had not yet made a reply but they had previously agreed to take part in discussions while making reserves as to the substance of the question of revision. It was difficult to think that they would refuse to be represented at these discussions taking place at Montreux so late. Altogether he felt confident that the conference would be held as proposed.

3. Mr Rendel then said that there was of course no question of coming to any definite Anglo-Turkish agreement at this stage. His Majesty's Government believed as the Turkish Government knew prepared to accept as sympathetic an attitude as possible towards what they could themselves only advocate or recommend. He therefore (giving his views which might be expressed by other Powers at Montreux. It was however important to have at least a preliminary exchange of views while M Numan was in London and to achieve a certain measure before the conference began on points of difference which might be found to exist between the views of the Turkish Government and of His Majesty's Government. M Numan having expressed his entire concurrence Mr Rendel added that when he had seen M Aras at Geneva M Aras had given him an outline of the Turkish desiderata, and had promised that when M Numan came to London he would be able to put these desiderata forward in a more definite form. Could M Numan now do this? Mr Rendel, speaking personally, did not anticipate any serious difficulty over the question of demilitarisation, on which His Majesty's Government were generally sympathetic, but on the question of the passage of warships and aircraft the situation might be more complicated and the views of the Turkish Government would be of great interest.

Passage of Aircraft over the Straits Area

4. M Numan said he would give an explanation in general terms of his Government's point of view, and would start with the passage of aircraft as this was the simplest. When once the Straits were refortified, the Turkish Government would naturally wish to prevent foreign aircraft from flying over the fortified zones. They would, however, provide an adequate corridor ("passage") by which aircraft could pass from the Mediterranean to Istanbul and the Black Sea. It could make no difference to these aircraft whether they went over say the Dardanelles or around them, and he hoped that this particular point would give little difficulty.

5. Mr Rendel here interposed to say that he would be glad to learn, quite unofficially, whether there was any chance of Turkey adhering to the International Air Navigation Convention, as this was a point to which the Air Ministry attached much importance. M Numan replied that quite frankly there was none. It was the present policy of the Turkish Government to develop their air services in the interior of the country and to render themselves capable of providing and maintaining the Turkish link in any international air service which

might eventually cross Turkey. Moreover, he would add in confidence, the Turkish General Staff were still extremely suspicious of visiting pilots. He did not exclude the possibility of Turkey eventually adhering to an international convention which left her free to carry out the policy he had indicated, but for the moment the question was entirely in suspense.

Passage of Warships through the Straits

6. M Numan then said that for the Turkish Government the problem of the passage of foreign warships presented itself under three headings: (*a*) security in the Mediterranean, (*b*) security in the Black Sea, and (*c*) security in the Sea of Marmora. The Soviet Government were in general anxious to close the Straits to the passage of any warships. His Majesty's Government, he knew, wished to secure the maximum liberty of passage. The Turkish Government hoped to combine the principle of liberty of passage with the principle of security by finding a solution which would regulate the passage of warships from the Mediterranean into the Black Sea, and from the Black Sea into the Mediterranean in such a way that while free passage would be assured in all normal circumstances the security of Turkey and particularly of such Turkish coasts as might be in the Sea of Marmora at the time would be assured by the possibility of intervention of the naval forces of any Power in either the Black Sea or the Mediterranean to be prevented. To effect this object, it would be necessary to close a new "straits" (détroit). He then raised an entirely new point and appeared to put forward the proposal that the passage of foreign warships should be dependent on prior Turkish authorisation (autorisation).

7. M Numan then explained that the Turkish Government were not especially concerned about the arrangements which might be made for the passage of warships in periods of either complete peace or open war. The period when danger would arise would be that of determinate or present indefinite period of a threat of war ("menace de guerre"). The Turkish Government would wish to find a satisfactory definition of this period or state of affairs, and it was when such a state of affairs existed that it would be particularly vital for Turkey's interests that the passage of foreign warships should depend on her authorisation. It would also be desirable to define the circumstances in which Turkey would or would be technically a neutral having regard to the terms of the League Covenant &c.

8. Once the principle of Turkish authorisation was conceded, the Straits Commission would, M Numan thought, have little to do and the Turkish Government would like to see it abolished.

9. In the course of these explanations, M Numan said at one point that the Straits were and would remain entirely free for merchant shipping, and he thought there were no points at issue there. Mr Rendel mentioned the question of sanitary dues, and M Numan said such points ought to be easy to settle.

10. Mr Rendel then offered the following observations on what M Numan had said. He wanted however, to preface what he had to say by repeating that on grounds of general principle His Majesty's Government attached great importance to securing the maximum possible liberty of passage for warships through waters joining one sea to another. It was not a question of any particular circumstances affecting the present problem or of local policy, but one of general principle and application. He knew that the Admiralty would be very reluctant to agree to any further limitation on the passage of warships.

11. As regards M Numan's specific points, he wished first to refer to the suggestion that the Straits Commission might be abolished. This was an entirely new suggestion which had not been put forward by M Aras at Geneva nor referred to Sir P. Loraine in any of his discussions with the Turkish Government. Indeed, when Mr Rendel had discussed the revision of the convention with M Aras the clauses dealing with the Straits Commission had never been referred to and there had been no suggestion that they should be touched. A great part of the Commission's work was, he believed, connected with merchant shipping, lighting, pilotage, buoys &c., and it seemed to him that even if the clauses relating to the passage of warships were revised this would offer no good ground for the abolition of the commission. But apart from this, this was another case where a general principle was involved. It was obviously desirable

on general grounds that international commissions should whenever possible, be entrusted with the supervision of waterways which formed international high ways The case was not an isolated one The position of many other international waterways commissions was likely to be affected The abolition of the commission would be a move in the wrong direction and would constitute an unfortunate and dangerous precedent Even if it could be shown that the commission did not in fact exercise very important functions a proposal to abolish it might place His Majesty's Government in an embarrassing position in regard to other corresponding cases Speaking therefore quite frankly and purely personally he greatly hoped that the Turkish Government would reflect further before pressing this point

12 M Numan explained that the abolition of the commission had been included in a list of desiderata given to him by M Aras He thought he could say, however that his Government might be willing to reconsider the point provided they could obtain satisfaction on other matters He did not think the commission was of great value and it would in reality become little more than a statistical bureau But the Turkish Government had no objection whatever to make of the manner in which the present system did its work and they would probably have no objection to retaining it if they could be met on other points

13 Mr Rendel then dealt with M Numan's proposal that the passage of warships through the Straits should be subject to Turkish authorisation This again was a entirely new point which had not been mentioned before M Aras had talked of previous notice to enable the riverain Powers to be informed of the intended passage of warships But authorisation was another matter, and had never been hinted at It seemed to him to be said that the suggestion for authorisation was incompatible with the principle that the conditions governing the passage of warships should be laid down by international agreement Either there would be international regulations to be subscribed by which Turkey would be bound to carry out else and which would govern the whole matter or alternatively the Turkish Government could seek to secure discretion to allow or prohibit passage in which case passage would depend on their authorisation alone But if special regulations were to be drawn up and as well as this Turkish authorisation was to be required half the provisions of the convention would be purposeless

14 Both M Numan and the Turkish Ambassador explained that what the Turkish Government had in mind was not that every passage of a warship should be subject to Turkish permission but that Turkey should retain the right to prohibit the passage of warships altogether in certain exceptional situations It was ready on the other hand of dealing with the question of "threat of war If an adequate definition of a threat of war could be devised and arrangements made to provide for it the question of authorisation would not arise It was not clear however, whether M Numan and the Turkish Ambassador had in mind that Turkey should have the power to allow *greater* numbers of warships than those provided for in the convention to pass through in certain emergencies

15 Mr Rendel thanked M Numan for his explanations which he promised to report to his higher authorities at the Foreign Office and to the other Departments concerned As soon as he had been able to discuss with the other Departments the new points which M Numan had raised he would arrange a further meeting at which representatives of those Departments would probably assist

16 It did not appear from anything that M Numan said that he had brought with him anything in the nature of detailed written proposals

Eastern Department
Foreign Office, May 20 1936

E 2988/26/44] No 30

Record of Meeting (No 2) between M Numan Menemencioglu and Members of the Foreign Office and Admiralty to Discuss the proposed Revision of the Straits Convention of July 24, 1923

A MEETING was held this morning in Mr Rendel's room to discuss the proposed revision of the Straits Convention at which the following were present M Numan Menemencioglu the Turkish Ambassador and M Numan's "chef de cabinet" M Bedri Tahir Saman Mr Rendel and Mr Baggallay of the Foreign Office and Rear Admiral R M Bellairs, Captain Phillips and Mr Seal of the Admiralty Sir William Malkin was present for part of the time

2 Mr Rendel opened the discussion by summarising his previous conversations with M Aras and M Numan The first question was that of the proposed abrogation of the demilitarisation clauses of the convention It would be well in the first instance to make quite sure that M Numan and the representatives of the Foreign Office and Admiralty were in agreement as to the articles of the Straits Convention which would need to be abrogated in the event of demilitarisation of the Straits being agreed to These articles which would need to be abrogated in that case were Nos 4 6 7 8 9 and 18 M Numan agreed Article No 3 was then considered and it was agreed that this article would have to be abrogated Some discussion then took place regarding article 5 Mr Rendel pointed out that this article which would be required to treaty powers during a time of war taken effect once and for all when the demilitarised zones had been delimited The effect which it had already had could not be undone and it was superfluous to re-effect It was at the same time historical record There therefore seemed no need to take special steps to abrogate it M Numan said that he would wish to make a certain reservation with regard to this point It might be true that article 5 had already taken effect since the purpose of this article had been to delimit certain zones and since these zones were now to be abolished there would, to his mind be something inconsistent in retaining an article which defined zones which no longer had any existence He would therefore prefer to abrogate it entirely Mr Rendel said that the point was not one of any practical importance and could perhaps be left for the consideration of the legal advisers on both sides

3 Mr Rendel then suggested that as no representatives of the Air Ministry were present and as the question of the passage of aircraft seemed unlikely to give rise to serious difficulty the meeting should turn to the more important question of the passage of warships Before doing so however he would like to make sure that there was no misunderstanding as to the basis on which the present conversations were being carried on His understanding was that these conversations were no more than a simple exchange of views and His Majesty's Government could of course give no promise regarding the attitude which they would adopt to any particular question in advance of the proposed general conference Nevertheless as M Numan knew, they were generally sympathetic to the Turkish case and were anxious to eliminate as many points of difference as might be possible M Numan replied that, for his part, he regarded the conversations as binding neither His Majesty's Government nor the Turkish Government They were in fact as Mr Rendel had said a simple exchange of views

4 Mr Rendel then explained that Part 2 of the annex to article 2 of the present Straits Convention provided for three distinct sets of circumstances —

(1) Peace.
(2) A war in which Turkey was a neutral
(3) A war in which Turkey was a belligerent

M Numan had however pointed out that these provisions did not cover two other cases —

(4) A period in which there existed an immediate danger or threat of war
(5) A war in which Turkey was neither a belligerent nor a neutral according to earlier ideas upon the subject that was for example enforcing sanctions as a member of the League of Nations against a Power which had gone to war in defiance of the Covenant

It seemed to him that before attempting to consider the conditions which should govern the passage of warships through the Straits in each of these cases it was desirable that the meeting should clarify its ideas about the way in which these different situations might suitably be defined. In this connexion the views of Sir William Malkin would be of great value and he proposed, subject to the concurrence of M. Numan, to invite Sir William Malkin to attend.

5. Sir William Malkin having arrived the discussion was resumed. Sir William Malkin pointed out that there were in fact circumstances in which a State, even though a member of the League of Nations, could still be a neutral during a war. One such example was a war between two States neither being a member of the League both of whom had refused an invitation given under article 17. Another was a war which was being carried on in the circumstances set out in article 15 (7) of the Covenant. The Institute's assistance on the legal points involved was sought in connexion but showed that the matter would eventually have to be further pursued. Monsieur M. Numan expressed the view that although he would be glad to assist in finding satisfactory definitions of a threat of war and of League solidarity he felt that the question could better be approached in the first instance in somewhat different angle.

6. M. Numan then developed his views as follows. So far as Turkey was concerned, the whole problem of the Straits was one of their security. It was for this reason that Turkey regarded the question of the Straits first and foremost as one of fortifications. It would thus be gaining an advantage if warships by passing through the Straits could contribute to the defence of the Straits without the Turkish Government being able to prevent it. Under the Lausanne Convention of foreign naval forces entering the Black Sea by the Straits of Marmora during a period when Turkey was not engaged in a war to which she was not a party. It was not therefore for the fact that countries could present arguments which contemplated that Turkey was *obliged* to respect any limitation of the Straits as to put the problem of Turkey's security in terms of war and without it would not arise at all. Turkey had complete discretion to decide at times the problem of her security. In exceptional times would she not exist. The first necessity, according to his opinion, to find a yardstick by which to measure the foreign naval forces which could pass through the Straits in ordinary peace time without endangering Turkish security should an emergency arise and then to consider how far the yardstick needed to be adjusted to be applicable to other situations. He did not expect His Majesty's Government to adopt any particular yardstick during the present negotiations but he suggested that it might be possible to agree upon maximum and minimum limits within which the yardstick might be found at the general conference which was to follow. If it proved possible at that conference to adopt the maximum limit the Turkish Government for their part would probably be found willing to agree not to press for any arrangement under which the passage of the Straits was made to depend on prior Turkish authorisation.

7. With regard to this question of authorisation Mr. Rendel explained that it has not been entirely clear from what M. Numan had said on the 20th May whether this request for prior authorisation was intended to mean that the Turkish Government would have it within their power to admit a larger number of warships than was laid down in any convention which might be concluded or whether it meant that the Turkish Government, while bound not to admit more than that number, would have it in their power to refuse to admit even so many. M. Numan replied that his instructions were that the authorisation the Turkish Government meant the second of these interpretations. After Mr. Rendel had repeated the arguments he had used at the meeting of the 20th May regarding the apparent incompatibility of a regime of international agreement with one of authorisation, M. Numan said that he understood the wishes of the Turkish Government and would not regard the yardstick he might be authorised, notwithstanding its present intention to propose upon his Government's agreement that in all ordinary circumstances at all times the notification of any proposed passage would be sufficient instead of authorisation.

8. M. Numan added that so far as the actual yardstick was concerned he was ready to furnish a memorandum setting forth the Turkish views as to the maximum and minimum limits, leaving the question of authorisation and

within which warships should be allowed to pass through the Straits without endangering Turkish security, and that he hoped to be able to send this memorandum to the Foreign Office that same evening.

9. Captain Phillips remarked at this point that for his part he would be extremely sorry for any foreign fleet which, once the Dardanelles had been fortified, found itself in the Sea of Marmora at a moment when relations between Turkey and its own country became strained. M. Numan agreed that the position of such a fleet might be far from enviable but pointed out that from the Turkish point of view it was necessary to take into account the possibility of a dangerous situation arising at any moment after the new convention had been signed. Modern fortifications took many years to complete and for Turkey it was no use to think of what might happen in ten or fifteen years from now. The present time was as dangerous as any other and it was of the present that Turkey had to think. Mr. Rendel suggested that if this were the case it might be possible to raise no fortifications for a transitional period during which the fortresses of the Dardanelles would be presumed to be in the course of completion during this period a maximum limit could be adopted, on the understanding that at the end of the period a maximum would be in force. M. Numan said that this was to indicate what was worth taking into consideration.

10. At this stage of the Rome Air Raid Debates Mr. Noel-Baker was then asked by the His Majesty's Government were prepared to bring about the revision of the provisions of the Straits Convention which the latter considered necessary. He replied that the question which the Government had to decide was whether they were prepared to take the initiative in calling a conference to deal with the matter. He was not in a position to say what the decision would be. He could only say that personally speaking this was his view. He must, however, make a slight reservation on the subject of war graves and while wishing to raise any limitation agreement for the establishment he would first suggest that the British experts should look themselves what was meant by the war cemeteries were to be dealt with. After that would be possible to arrange visits to the cemeteries without endangering the security of the fortifications. He would be most grateful to confer with the experts themselves. This was what he was asked to do at all times. The question of access was, however, more difficult. In point of fact he doubted whether it would arise in the case of the British cemeteries most of which he thought would be found to be outside any zone which would be fortified. The question was, nevertheless, one which might have to be faced and he thought that the British experts might possibly find that the answer to his question was that some right of restriction upon the access of visitors should in fairness be granted to the Turkish authorities.

11. Mr. Rendel replied that the question of war cemeteries was as M. Numan knew one on which British public opinion in the United Kingdom, Australia and New Zealand felt very strongly. He would however as a preliminary step endeavour to ascertain the exact position of the British cemeteries (some French and Italian cemeteries were also involved).

12. The meeting ended with some discussion about sanitary dues levied on vessels passing through the Straits without calling at any Turkish port. M. Numan said that as a result of representations which had been made by the British Embassy in Turkey the Ministry for Foreign Affairs had prevailed upon the competent departments of the Turkish Government to make an important reduction in these dues. But for the rest, the question was one of principle and it would be felt that it would be very difficult to abolish them altogether. Mr. Rendel replied that on the British side also the question was one of principle. He would not however pursue the matter now since the details of the question were rather complicated. It might however be useful if M. Numan before his departure from London were to have a meeting with representatives of the departments immediately concerned that was to say the Board of Trade and the Ministry of Health.

Eastern Department
Foreign Office, May 22, 1936.

[E 2948/26/44] No. 31

Turkish Proposals for Revision of Provisions of Straits Convention regarding Passage of Warships.

Memorandum communicated by M Numan Menemencioğlu to Mr Rendel on May 23, 1936

Stipulations relatives aux Navires de Guerre autorisés à traverser les Détroits

1 LE nombre la catégorie et le type des navires de guerre ayant à traverser les Détroits seront, un mois à l'avance, notifiés au Gouvernement turc aux fins d'autorisation

2 Les unités devant traverser les Détroits simultanément ne pourront dépasser en tonnage un chiffre égal à la moitié de l'ensemble des unités turques actives de toutes catégories

3 Au cours de la traversée des Détroits et de la Marmara les navires de guerre ne pourront faire effectuer des vols à leurs avions

4 Un nouveau passage le long de la côte Nord de la Méditerranée ou à travers la mer ne pourra être effectué qu'après l'accomplissement complet du passage du groupe précédent

5 Les sous-marins ne pourront traverser les Détroits et la mer de Marmara qu'en surface

6 Les navires de guerre en pourront traverser les Détroits que pendant le jour

7 Les navires devront signaler aux postes de signaux leur nombre aussi que leur type et le nombre de tous les navires compris dans leur force opérante de passage

8 Les navires légers ne seront pas autorisés à stationner dans les Détroits la Marmara et les ports d'Istanbul et autres

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[E 3064/26/44] No. 32

Record of Meeting (No 3) between the Secretary General of the Turkish Foreign Office and Members of the Foreign Office and Admiralty to Discuss the Proposed Revision of the Straits Convention of Lausanne

A FURTHER meeting was held in Mr. Rendel's room at the Foreign Office on the morning of the 26th May, and was attended by Mr Rendel, M Numan Menemencioglu, and M Bedri Tahir Saman by Rear-Admiral Bellairs and Mr Seal of the Admiralty and by Mr Baggallay and Mr Lambert of the Foreign Office Sir W Malkin was also present for part of the time

2 Mr Rendel began by explaining that the Foreign Office and Admiralty had carefully studied the memorandum which M Numan had sent him on the 23rd May As a result they had come to the conclusion that while it should not be impossible for His Majesty's Government who were in general sympathy with the main desiderata of the Turkish Government to reach a compromise with the Turkish Government over the question of the regulations governing the passage of warships through the Straits, it was likely to be extremely difficult to obtain any general agreement to such a compromise on the part of the other Powers participating in the proposed conference at Montreux It would for example be necessary in order to provide for the various situations which might arise, to allude to possible future applications of article 16 of the Covenant of the League and to define by some reference to League machinery, the situation which M Numan had described as "imminent menace of war" Certain Powers would probably object to such references while others would probably see no less objection than that felt by His Majesty's Government to the principle of Turkey being given discretion to prohibit the passage of warships altogether in certain specified circumstances The result of these difficulties might well be a deadlock at Montreux But the Montreux Conference as at present contemplated, was not intended to deal with the question of the abrogation of the demilitarisation clauses of the convention which M Aras had described as a matter of immediate urgency The position might then be either that no agreement would be reached and that the abrogation of the demilitarisation

clauses would be held up, or that some Power or Powers might make their consent to the abrogation of the demilitarisation clauses conditional on their desiderata being met over the passage of warships clauses In these circumstances His Majesty's Government wished to suggest for the consideration of the Turkish Government, that it might now be desirable (in Turkey's own interest) and for purely tactical reasons to revert to a suggestion which had originally been put forward by M Aras himself on the 11th May, and to try to divide the proposed conference into two parts the first to take place at Montreux on the 22nd June as arranged, but to deal only with the question of the abrogation of the demilitarisation clauses, and the second not to be indefinitely postponed but to take place on an agreed date in the autumn, by when Turkey would have secured her initial desiderata and the consideration of the passage of warships clauses could be dealt with at greater leisure and with less risk of complications

3 M Numan saw considerable difficulties in the way of this suggestion He explained that from the Turkish point of view the fundamental point at issue was the security of Turkey As he had already explained this could only be assured by (1) the abrogation of the demilitarisation clauses and (2) new regulations regarding the passage of warships The Turkish Government regarded these two questions as integrally connected Warships were, so to speak, floating fortresses and although it was no doubt true as Captain Phillips had suggested at a previous meeting that a hostile fleet caught between the fortifications of the Dardanelles and those of the Bosphorus would be in a precarious situation it could very easily destroy the Turkish naval bases and cause vast damage to Constantinople and to the Turkish coasts before it could be dealt with It was essential therefore that Turkey should be protected against the risk which might be caused by the aggglomeration of foreign warships in or near the Straits and if Turkey only secured the abrogation of the demilitarisation clauses without securing new regulations to this end she would already have obtained very incomplete satisfaction

4 In any case even if the first part of the conference restricted itself to providing for the abrogation of the demilitarisation clauses it would still have to deal with the question of the passage of aircraft over the Straits, since it was clear that aircraft could not be allowed to fly over zones which were to be demilitarised and fortified It would also be necessary for the Powers participating in the conference to record their agreement to the principle of Turkish security in the Straits Once that principle was accepted the drawing up of new regulations for the passage of warships would be in the nature of a corollary, and it would in fact be only a question of detail to decide on the precise form they should take since the object to be aimed at (i.e. Turkish security) would already have been agreed upon In these circumstances M Numan saw no advantage in making two bites at the cherry The invitations to the conference were now already on their way and he thought it would be preferable from every point of view to proceed with the arrangements on the lines already provisionally agreed upon

5 Mr Rendel replied that he fully appreciated the force of these arguments At the same time it seemed important not to jeopardise the main issue (i.e. the early grant to Turkey of the right to fortify the Straits). The working out of new regulations for the passage of warships would be by no means as simple a matter as M Numan had implied Apart from the difficulty of reconciling the conflicting principles involved and apart from the difficulties he had already indicated the further fact must be borne in mind that the future of the Covenant and particularly of article 16, was in considerable doubt It would be necessary, as he had explained, to allude to these articles, but would it be prudent to attempt to do this until one could see more clearly what the future of those articles was likely to be?

6 M Numan replied that he thought that this point could be met by dealing with the question of the reference to the League in very general terms He did not think it would be necessary to be so specific as to provoke opposition from say Italy or Japan He still felt that it would be essential to obtain general agreement on the question of principle at the first conference and that once this was secured there should be no difficulty in giving effect to it

7 The question was then discussed of the precise form to be taken by the document or instruments emerging from the conference if the conference were in fact to be divided into two parts Sir W Malkin joined the meeting for

this part of the discussion M Numan saw serious objections to the conclusion of two separate amending conventions Mr Rendel suggested that the first amending convention might contain a specific provision for the holding of the second conference to draw up new regulations regarding the passage of warships Indeed, the regulations regarding the passage of warships might perhaps take the form of an annex to the main convention (just as they were embodied present in an annex) but on the understanding that the annex should be subsequently negotiated

8 Sir William Malkin thought that there would be no technical objection to this course though it would be unusual It might be possible though perhaps not very satisfactory to sign a convention in advance of an agreement regarding the annex to it

9 M Numan said that while he saw the advantages of the proposed procedure, it seemed to him that if the other Powers concerned were prepared to go so far as to agree in the first convention to negotiate a second convention or an annex to the first convention to provide for the passage of warships on the basis of the needs of Turkish security they would have gone so far that it would be merely cumbersome to hold a second conference for the purpose of drawing up the precise regulations It became clear in the course of this discussion that the Turks would likely be most unlikely to agree to divide the conference into two parts (for they attached almost as much importance to the revision of the regulations regarding the passage of warships as to the actual question of the demilitarisation) unless it was clear that the practical solution of the difficulties of the proposal might be greatly facilitated if not first been initiated It was also clear that the Turkish Government were anxious that the other Powers having once agreed to the principle of the demilitarisation should not be able to delay the holding of the second conference indefinitely In the circumstances although M Numan agreed to put the suggestion to his Government there seemed little reason to expect that it would be possible to proceed further

10 At an earlier stage in the discussion M Numan asked Mr Rendel whether he could give him any indication of the general point His Majesty's Government on this question of the passage of warships apart from the position of the attitude which other Powers might take up at the stage of the conference Such an indication would be most useful to his Government since they were most anxious to work as far as possible in harmony with the views of His Majesty's Government and to know how far they could count on British sympathy and support Mr Rendel repeated that while His Majesty's Government could not of course commit themselves in advance of the conference they were in general sympathy with the desire of the Turkish Government to assure Turkish security in the Straits There was however at present a divergence of principle which it would be necessary to find some means of overcoming The Turkish Government had emphasised their desire to have discretion to prohibit the passage of warships altogether The Admiralty for reasons not connected with the local situation felt on grounds of general principle disliked giving the Power which controlled an international waterway discretion to prohibit or permit the passage of warships through that waterway and felt that the matter should be dealt with by international regulation Mr Rendel thought that it should not be impossible to devise a compromise by which Turkey should retain discretion in certain specified eventualities But the whole matter would need very careful working out and although he felt sure that some agreement would eventually be reached since both His Majesty's Government and the Turkish Government wished to work as harmoniously as possible over this question he could not for the moment say more It would continue to form the subject of close study by the various Departments of His Majesty's Government concerned This part of the discussion was interposed rather earlier in the meeting but is dealt with at the end of the present record in order not to confuse the main argument

11 After some further discussion it was agreed to adjourn the meeting until the evening

Eastern Department
Foreign Office May 26 1936

E 3065/26/44] No. 33

Record of a Meeting (No 4) between M Numan Menemencioglu and Representatives of the Foreign Office and Admiralty to Discuss the Proposed Revision of the Straits Convention of July 24, 1923

A FURTHER meeting was held at Mr Rendel's room at the Foreign Office this afternoon of the 26th May, at which the following were present Mr Rendel M Numan Menemencioglu the Turkish Ambassador and M Sarkisgil the first secretary of the Turkish Embassy and Mr Baggallay of the Foreign Office and Rear Admiral Bedford Mr Seal of the Admiralty

2 Mr Rendel began by recapitulating partly for the benefit of the Turkish Ambassador who had not been present at the morning's meeting) the reasons for which the Foreign Office and Admiralty thought that it would be desirable to have two conferences not one conference in two parts) the first to deal with the question of demilitarisation and the second with that of the passage of warships and other consequential amendments to the convention M Numan having stated the objections of principle and facts which led him to this proposal, the first point of which was that both the question of demilitarisation and that of the passage of warships formed integral parts of the question of Turkish security and thought therefore to be dealt with simultaneously Mr Rendel said that the proposal to have two conferences had been put forward purely tactical grounds and that M Numan's serious objections to adopting it rendered it unnecessary to proceed further with this point

3 Mr Rendel then said that before proceeding with the general discussion it would be helpful if M Numan would point which had been made by Mr Seal that the restrictions on the passage of warships were really a necessary part of the demilitarisation clauses of the existing convention and that if demilitarisation was now to be removed from the scope of the new convention it would follow logically that the restrictions on the passage of warships should be further relaxed Mr Rendel said that the existing convention struck a balance between two principles the principle that in the present convention was that the freedom of passage of warships in the Straits should be restricted (the restrictions on capacity to pass ships not being imposed in the interest of Turkish security Now the Turkish Government desired to strengthen their security by fortifying the Straits and it was possible that freedom of passage should be increased and not further restricted On the Straits had been demilitarised in fact the existing restrictions so far from becoming inadequate to the changed conditions might not be necessary at all

4 M Numan replied that he saw the position rather differently In his view the underlying idea of demilitarisation in the existing convention was the guarantee it afforded The restrictions on the passage of warships on the other hand had been imposed not on behalf of the security of the Straits themselves but on behalf of the security of the Black Sea Powers and so constituted a question which needed to be adjusted and independently of that of the fortification of the Straits themselves

5 Mr Rendel then explained that the point to which the Admiralty attached the most importance was that the passage of such waters as the Straits should be independent of the choice of the riparian Power It was in fact to the interest of the riparian Power that this should be so If that Power had the right of decision it would be placed in a most difficult situation politically if it let the warships of one Government through and not those of another This would be the case even in peace time It would be still more the case in time of war The Admiralty therefore wished the regulations for the Straits to be of such a nature that if foreign warships passed through the Straits (which were Turkish internal waters) the fact of this passage would not engage Turkey's international responsibility or outright belligerency This could only be done if the right of passage without specified limits were independent of the will of the Turkish Government Arising out of this Mr Seal enquired whether it would not be possible to surmount the difficulty about sabotage by arranging that this should be given not by the Turkish Government but by the Straits Commission

6 M Numan said that he could not deal with Mr Seal's suggestion since his present instructions were to ask for the abolition of the commission He was

not in a position therefore to agree to any suggestion which would give it greater powers As regards the regulations for the passage of warships, he thought best to leave on one side for the moment the question of authorisation At one point he used the expression *autorisation ou information* He recognised the force of Mr Rendel's observations, but this question would depend to some extent on what arrangement could be made to provide for the various emergencies which might arise He hoped for further instructions from Angora shortly on this subject Meanwhile, he would like if possible to take the question of the regulations for the passage of warships through the Straits which had formed the subject of his memorandum of the 23rd May by itself, as a separate issue

7 He explained that a point with which his Government were primarily concerned to secure was that the foreign naval forces in or between the two Straits at one and the same time should never be of a strength sufficient to threaten Turkish security in the Straits or the Sea of Marmora This was quite separate altogether from the question of the total forces which might enter the Black Sea or *vice versa* It might eventually be agreed that the total force which might be allowed into the Black Sea should amount to a maximum of say *a* But *a* might consist of several groups *a b c* and it might happen that while *a* or *b* or *c* could each pass through the Straits without endangering Turkish security *a* + *b* and *a fortiori a* + *b* + *c* could not

8 There was a further important point The present convention regulates the passage of the Straits for the warships of each Power separately There was nothing to stop two or three or any number of Powers from joining together to send simultaneously through the Straits the naval forces which each was allowed Such a proceeding would of course defeat the object of the present Turkish proposals and in any further convention his Government would wish to make it clear that where it was laid down that a foreign naval force not exceeding a specified strength might pass through the Straits this meant the combined forces of all the Powers who might wish to send warships through at that particular moment

9 During the discussion it in fact became apparent that the Turkish Government regard the problem as falling into two parts (1) the security of the Black Sea Power, which involved a "yardstick" for the total naval forces in the Black Sea, and (2) the security of Turkey in the Straits and the Sea of Marmora which involved a "yardstick" for the total forces to be allowed in the Straits at any one time These two "yardsticks" would not necessarily be similar Only part (1) is at present covered by the Straits Convention M Numan explained that his memorandum of the 23rd May was intended only to deal with part (2) he was expecting instructions by telegram from Angora in the near future as to the "yardstick" the Turkish Government would suggest for the Black Sea

10 Rear Admiral Bellairs then asked whether the memorandum which M Numan had given to Mr Rendel on the 23rd May was intended to apply only to peace conditions, and if so whether M Numan had any suggestions as to the arrangements to be made in the case of war Turkey being a neutral M Numan replied that his memorandum applied to normal or peace conditions only The position in case of war was more or less covered in the present convention though further definitions would be required to provide for various emergencies such as threat of war and various types of neutrality He repeated that if the question of the regulation for the passage through the Straits in peace time was satisfactorily settled on the lines of the memorandum which he had handed to Mr Rendel and if satisfactory arrangements could be made to provide for threat of war, he thought that his Government might be willing to accept notification instead of authorisation in peace time

11 M Numan then said that he had been through the convention with a view to seeing what consequential amendments would be necessary in the other articles Article 1 of the convention would for example certainly need consequential amendments It was agreed however to defer the discussion of this question until the next day

12 Some discussion also took place on the question of access to war graves This discussion followed the general lines of that which took place at the meeting on the 22nd May M Numan again pointed out that war graves were unlikely to be affected since they were dealt with in the Treaty of Lausanne and there

had never been any question of amending any portion of that treaty On the other hand, regulations would certainly be required to ensure that visitors to the war graves did not wander about uncontrolled in military zones. Mr Rendel emphasised that the Imperial War Graves Commission were greatly interested in the question, and mentioned that they had drawn his attention to the fact that their representative lived at Chanak, which might presumably become a military zone The attention of His Majesty's Government had also been drawn to the position of any British subjects residing in what might become military zones The position of all these people would need to be safeguarded M Numan anticipated no difficulty about this, but considered that the matter need not be dealt with in any amending convention since it was a purely Anglo-Turkish question which could be settled by correspondence between the two Governments without bringing in other Powers.

13 M Numan proposed that at the next meeting the convention should be examined article by article and added that it would be very useful to him to have the views of the Admiralty upon the proposal made in his memorandum for *limitation* the question of "authorisation" being left entirely on one side This was agreed to and the meeting broke up

Eastern Department
Foreign Office May 26 1926

E 3067 28/44] No 34

Record of a Meeting (No 5) between M Numan Menemencioglu and Members of the Foreign Office and Admiralty to Discuss the Revision of the Straits Convention of July 24 1923

(First Part)

A MEETING was held in Mr Rendel's room at the Foreign Office on the afternoon of the 27th May at which the following were present Mr Rendel M Numan Menemencioglu M Ors, the counsellor of the Turkish Embassy, and M Tsakiroglu the first secretary Mr Beckett and Mr Baggallay of the Foreign Office and Rear Admiral Bellairs and Mr Seal of the Admiralty

2 M Numan expressed his regret that the telegraphic instructions which he had been expecting from Angora had not yet reached him It was possible that there had been some misunderstanding and that the Turkish Government were awaiting a further telegraphic report from himself before sending him his instructions In any case he proposed to try to telephone to Angora that evening and he hoped that a telegram would reach him sufficiently early to-morrow for him to be able to discuss it at the Foreign Office before his departure If not the Turkish Ambassador would communicate its contents to the Foreign Office, particularly in regard to the question of authorisation.

3 M Numan then briefly summarised the results of the conference hitherto he had understood that while nothing that either side had said in any way engaged the Government which they represented the Foreign Office anticipated no great difficulty over the main question of demilitarisation or the question of the passage of aircraft he had noted the views expressed by the Foreign Office regarding the desirability of holding a conference in two parts, and had explained the difficulties which he himself saw in the way of this proposal He had also noted the views expressed by the Admiralty on the subject of authorisation, both as conflicting with the general principle of liberty of passage which they wished to uphold and as being likely to prove difficult of acceptance by other Powers the question of the definition of neutrality during a war in which one party had transgressed the Covenant of the League of Nations he understood that the Foreign Office saw some difficulty in attempting to find such a definition at a moment when the future of article 16 was so uncertain but thought for his part that it might be possible to surmount this difficulty by a general reference to the Covenant, finally he had communicated to the Foreign Office a summary of the views of his Government regarding the question of the *reglementation* of the passage of warships through the Straits, from the sole point of view of the security of Turkey in the Sea of Marmora and leaving aside the question of the

total forces to be admitted to the Black Sea which would have to be considered from the point of view of the needs of the Black Sea Powers, and he hoped in due course to receive the views of the Admiralty which would be of great value

4 Mr Rendel agreed generally with M Numan's analysis of the results so far achieved With regard to his memorandum on the subject of *reglementation*, this would be carefully studied from the technical point of view, but little progress could in fact be made in this study until it was known what proposals were likely to be put forward by Turkey or any other Power in regard to the total foreign naval forces to be allowed to enter the Black Sea In the meanwhile there were one or two points on which the Admiralty would be glad of enlightenment

5 The Admiralty foresaw certain difficulties in regard to M Numan's proposal that, where the maximum naval force which might pass through the Straits at one time was specified this should be taken to mean a maximum which would apply irrespective of whether the component units belonged to one Power or to several Powers Suppose that two or more Powers wished to send warships through the Straits at the same time How was the question of priority to be decided? M Numan said that this question seemed to him to be quite simple Priority (he was speaking of peace time only for the moment) would be accorded to the Power which first asked for authorisation If authorisation were needed or first gave notice if notice only were to be given If two or three Powers asked for authorisation or gave notice at approximately the same time and if the total forces which each desired to send into the Black Sea were of a size which necessitated their passing through the Straits in sections it would be possible to get the first section of one Power through first then the first section of the other Power or Powers then the second section of the first Power and so on The passage of the Straits was only a matter of ten or twelve hours and in point of fact having regard to the comparative sizes of the Turkish fleet which would be the "yardstick" for the Straits, and of the Soviet fleet which was at present the yardstick for the Black Sea it was unlikely that any Power would ever be able to send into the Black Sea a force of more than twice the size of that which could pass the Straits at one time In ordinary times, therefore the proposed regulation of passage through Straits would not do more than involve a delay of twenty four hours for any passing fleet and even in times when there was some congestion at the entrance so to speak it would not be an obstacle of more than two or three days

6 During the evening discussion it was explained to M Numan that even though the system of "intercalation" or "dosage" which he had just suggested might work in theory, there were practical objections from the point of view of, say an Admiral Commanding in dividing up a naval force especially when the divisions would be separated by other naval forces and that though the question of "global" limitation, as opposed to limitation by countries would be sympathetically studied it was not going to be an easy problem He agreed however that the difficulty would be connected mainly with the question of the total forces which could enter the Black Sea If the limitation were in this case also to be a "global" one one Power might send in its own forces up to the maximum strength allowed and make it impossible for any other Power to send in a force M Numan admitted that this problem existed and would need to be studied But it did not, in his opinion, in any way affect the similar question as applied to the Straits Either there would be a limitation in respect of the Black Sea which would in practice reduce the number of "paquets" which could pass through the Straits to two or at most three, or else there would be no limitation in which case the passage of the Straits would be unaffected The two questions could, he thought be studied in isolation

7 During this part of the discussion M Numan explained that the Straits was a purely Turkish question and for that reason he had concentrated on it during the present conversations The question of limitation in the Black Sea concerned other Powers besides Turkey but it nevertheless interested her mainly A special reason for this was that the Bosphorus was relatively less easy to fortify and defend than the Dardanelles and Turkey would not wish a potentially hostile foreign force to accumulate in the Black Sea where it would be in a better position to attack than if it were to remain in the Mediterranean

8 Mr Rendel then said that the Admiralty were anxious for some assurance regarding the future size of the Turkish navy They knew its present

tonnage, but could they be sure this would not be reduced in the future? M Numan said there was no intention of reducing the Turkish fleet (After a brief discussion between Mr Rendel and the Admiralty representatives, it was decided not to pursue for the moment the question of a minimum force, such as provided for in the present Convention, which could pass through the Straits at any time.)

9 The meeting then proceeded to examine the present Convention article by article A note of this part of the discussion will be circulated later

Eastern Department,
Foreign Office May 27, 1936

E 3099/26/44] No 35

Record of a Meeting (No 5) between M Numan Menemencioglu and Members of the Foreign Office and Admiralty to Discuss the Revision of the Straits Convention of July 24 1923

(Continued)

A RECORD of the earlier part of this meeting which was held on the 27th May, and at which there were present Mr Rendel M Numan Menemencioglu the counsellor and first secretary of the Turkish Embassy, Mr Beckett and Mr Baggallay of the Foreign Office and Rear Admiral Bellairs and Mr Sean of the Admiralty has already been circulated.

2 During the second part of the discussion the meeting went through the Straits Convention article by article

3 M Numan explained that the views of his Government on the questions of abrogation and modification were as follows

Article 1 The words "and in time of war" should be omitted from this article, since freedom of passage for aircraft over the immediate neighbourhood of the Straits was incompatible with the demilitarisation of the Straits Alternatively, if these words were retained, it would be necessary to insert a special annex covering in detail the question of air navigation. The preparation of such an annex would be a considerable task and one of doubtful utility

Article 2 — For similar reasons the words "and aircraft" (which occur twice in the article) should be omitted.

(The Annex is dealt with separately below)

Articles 3, 4, 5, 6, 7, 8, 9, 17 and 18 should be completely abrogated.

Articles 10-16 should be retained only if the Straits Commission were retained

Article 10 appeared to have no real value but its retention was a question for the other Powers concerned rather than for Turkey In any case, some verbal changes would be required to make it quite clear that it was the amended Convention that was to be recommended for adherence

4 With regard to the annex to article 2, M Numan expressed the following views: —

Section 1 (*b*)

(i) "Neutrality" should be defined in the light of the provisions of the Covenant of the League of Nations &c

(ii) The references to aircraft should be omitted (and presumably also, though M Numan did not specifically make the point, the references to the "air above the Straits")

Section 1 (*c*)

(i) "Belligerency" should be defined in the light of the provisions of the Covenant, &c, as also the state of *menace de guerre*

(ii) The references to aircraft should be omitted

Section 2 (*a*)

(i) This would need substantial modification according to the new *reglementation* agreed upon

(ii) The references to the commission should be retained only if the Straits Commission were retained

Section 2 (*b*)

(i) "Neutrality" should be defined

(ii) The references to aircraft should be omitted

Section 2 (*c*)

(i) "Belligerency" and *menace de guerre* should be defined

(ii) The references to (neutral) aircraft should be omitted

Section 3 (*c*)

The references to aircraft should be omitted

Sections 4, 5 and 6 appeared to need no modification, but Section 5, as a matter of fact, contains references to aircraft though Mr Nunn could not remember which would in fact be retained, and consistency would be preserved

3. The meeting took note of these suggestions.

Eastern Department
Foreign Office, May 28, 1936

E 3006/28/44 No. 36

Sir P. Loraine to Mr. Eden (*Received May* 26)

(No. 285 L.)

Sir, *Angora, May* 21, 1936.

I HAVE the honour, with reference to my despatch No. 143 E. of the 19th March regarding certain modifications in the Turkish exchange regulations, to transmit to you the accompanying translation of Decree No. 2/4463 of the 27th April amending articles 14 and 16 of the "Listes des Besoins d'Usage" annexed to Decree No. 11 for the safeguarding of Turkish currency, of which copies accompanied Mr. Morgan's despatch No. 435 E. of the 15th September 1934.

2. As a result of this new decree foreigners working in Turkey for their own account may no longer transfer abroad any sums whatever in foreign currency and foreigners living outside Turkey may no longer receive foreign exchange in respect of dividends, pensions, revenue from property, bank deposits, insurance policies and inheritances and certain other sources of revenue payable in Turkey.

3. I am sending a copy of this despatch to the Department of Overseas Trade.

I have, &c.
PERCY LORAINE.

Enclosure in No. 36.

Decree No. 2/4463 *dated* 27 *April* 1936 *relative au Decret No.* 11 *pour la Sauvegarde de la Monnaie turque*

(Translation.)

DANS sa séance du 27 avril 1936 le Conseil des Ministres a approuvé mise en vigueur du décret ci-annexé préparé par le Ministère des Finances et envoyé par sa note du 24 avril 1936, relatif à la suppression des articles 14 et 16 de la Liste des Besoins d'usage, annexe au Décret No. 11 sur la Sauvegarde de la Monnaie turque et des dispositions du Décret No. 2/3569 qui modifient lesdits articles.

Decree

Article 1. Sont supprimés les articles 14 et 16 de la Liste des Besoins annexée au Décret No. 11 sur la Sauvegarde de la Monnaie turque et les dispositions du Décret No. 2/3569 modifiant les susdits articles, dans les cas qui nécessitent l'octroi de devises libres.

Art. 2. Le présent décret entre en vigueur à la date de sa publication.

Art. 3. Le Ministre des Finances est chargé de l'application de la présente loi.

E 3242/1268/44] No. 37

Sir P. Loraine to Mr. Eden (*Received June* 4)

(No. 302 L.)

Sir, *Angora, May* 27, 1936.

I HAVE the honour, with reference to my despatch No. 108 E. of the 27th February, to transmit to you the accompanying copy of a commercial agreement between Turkey and Poland, which was signed at Angora on the 23rd April 1936 together with the consular lists of goods subject to quota annexed to the agreement, copy of which was supplied by the Polish Embassy at Angora.

2. The agreement follows the usual lines and calls for no special comment except to remark that Poland has not granted any import to Turkey doubtless owing to the fact that Turkey has no extra commercial commitments *vis-à-vis* Poland.

3. I am sending copies of this despatch to His Majesty's representative at Warsaw and to the Department of Overseas Trade.

I have, &c.
PERCY LORAINE.

Enclosure in No. 37

Accord de Commerce entre la Turquie et la Pologne

EN complément de l'Accord de Commerce signé le 19 février 1936 entre la Pologne et la Turquie, la Société polonaise pour le Commerce de Compensation et la Banque centrale de la République de Turquie ont convenu que les transferts des créances provenant des échanges de marchandises spécifiées dans l'accord en question soient reglés conformément aux dispositions suivantes:

ARTICLE 1er.

La contre valeur de toutes les marchandises polonaises importées en Turquie sera versée à la Banque centrale de la République de Turquie, qui la portera au crédit d'un compte sans intérets qui sera ouvert par ses soins au nom de la Société polonaise pour le Commerce de Compensation et tenu en livres turques.

Les cours de conversion de la Banque centrale de la République de Turquie seront établis d'après les dernières cotations connues de Londres et sur base de parité officielle de la livre turque par rapport au franc français (actuellement 1 livre turque égale 12·06 francs français).

Les factures afférentes à ces marchandises doivent être munies du visa de la Société polonaise pour le Commerce de Compensation à Varsovie.

ARTICLE 2.

La Société polonaise pour le Commerce de Compensation n'utilisera les disponibilités ainsi constituées que pour le règlement des contre valeurs des marchandises turques importées en Pologne conformément à l'Accord de commerce turco-polonais signé en date du 19 février 1936.

ARTICLE 3.

La Banque centrale de la République de Turquie avertira au jour le jour la Société polonaise pour le Commerce de Compensation des encaissements qu'elle

aura effectués en joignant aux avis d'encaissement l'exemplaire " B " de certificats d'origine dont il est fait mention à l'article 4.

De son coté, la Société polonaise pour le Commerce de Compensation transmettra au jour le jour à la Banque centrale de la République de Turquie les ordres de paiement accompagnés de l'exemplaire " B " des certificats d'origine en faveur des exportateurs turcs en reglement des marchandises importées en Pologne et dont la contre-valeur lui aura été versée par les importateurs intéressés.

Les ordres de la Société polonaise pour le Commerce de Compensation seront exécutés par la Banque centrale de la République de Turquie selon les disponibilités du compte qu'elle aura ouvert au nom de la Société polonaise pour le Commerce de Compensation

ARTICLE 4

Les marchandises exportées de part et d'autre seront accompagnées de certificats d'origine établis en double exemplaire suivant le modèle ci-inclus. La partie " B " de ces certificats sera estampillée par les douanes du pays importateur et rendue au commerçant intéressé qui la remettra à l'établissement qui aura à effectuer le versement

Ces certificats d'origine seront transmis dans les formes prévues à l'article 3.

Ces certificats portent la valeur f.o.b. des marchandises au port d'expédition ou franco frontière polonaise, et les prix ainsi marqués sur ces certificats seront acceptés comme base pour les versements qui seront effectués conformément à l'article 1er et 2 du présent accord

ARTICLE 5

La Société polonaise pour le Commerce de Compensation transmettra à la Banque centrale de la République de Turquie ses ordres de paiement libellés en livres turques

Au cas où les factures des exportateurs turcs ne seraient pas libellées en livres turques la conversion de ces factures en livres turques sera effectuée d'après les derniers cours connus de Londres le jour de l'encaissement en Pologne et sur base de la parité officielle de la livre turque par rapport au franc français (actuellement une livre turque égale 12 06 francs français)

ARTICLE 6

Les paiements aux ayants droit seront effectués par la Banque centrale de la République de Turquie et par la Société polonaise pour le Commerce de Compensation en suivant l'ordre chronologique des avis échangés à cet effet entre eux

ARTICLE 7

Les frais et commissions dus par les exportateurs polonais à leurs représentants en Turquie, ainsi que les frais et commissions dus par les exportateurs turcs à leurs représentants en Pologne, résultant des échanges commerciaux effectués entre les deux pays, seront réglés par voie de clearing

Toutefois, les deux institutions se réservent le droit de vérifier et de contrôler la nature et l'emploi de ces sommes, et si elles représentent réellement la contre valeur des frais et des commissions ci haut mentionnés

ARTICLE 8

Le présent accord entrera en vigueur simultanément avec l'Accord commercial turco polonais et aura la même durée

ARTICLE 9

Le solde créditeur que pourraient éventuellement présenter le compte de la Société polonaise pour le Commerce de Compensation à l'expiration du présent accord devra être totalement liquidé conformément aux stipulations du présent accord.

De même les contre valeurs des marchandises importées à crédit au cours de la validité du présent accord continueront à être versées au compte ou clearing.

Au cas où certains ordres de paiement de la Société polonaise pour le Commerce de Compensation resteraient non exécutés faute de disponibilités, à

l'expiration du présent accord, les importateurs turcs continueront à verser au compte de clearing de ladite société la contre-valeur de leurs importations, conformément aux stipulations de cet accord, en vue de constituer la couverture nécessaire pour le règlement des susdits ordres de paiement.

Fait en double à Ankara, le 2 avril 1936.

Annex to Enclosure in No. 37

ant dont elle)

LISTE I

Position du Tarif douanier turc.	*Dénomination des Marchandises.*	*Quantité annuelle.*
102	Fils de laine	300 tonnes.
105 A	Velour, peluche imitations de fourrure en laine	8 „
285 A	Bandes et feuilles pour placages	25 „
286 B	Parquets et contre plaqués	300 „
377 380 et 1 e f	Pentes de sucre	40 „
417	Fils, tissus et tissus en jute	Sans limites
485	Faïence et porcelaine sanitaire	100 tonnes
505	Appareils électriques	50 „
511 c.	Articles en verre	2 „
512	Dito	10 „
520 A	Fer de toutes sortes	Sans limites
523 A 1 2	Tôle de fer	„ „
521 A 3 B 3	Fers de fer	„ „
529 B C	Tuyaux	„ „
532 A 1	Coke de fer	15 tonnes
533	Vis écrous, boulons en fer	Sans limites.
538 C	Pedes, pieds	150 tonnes.
552	Articles de quincaillerie	Sans limites.
574 B D	Zinc, sous alliages et tôle	„ „
698	Paraffine Vaseline	„ „
702	Bois de zinc	1,000 tonnes
ex 710	Nitrate de potasse	Sans limites.
ex 712	Sel gemmoniaque raffiné „ „ sublimé Carbonate d'ammoniaque	Sans limites.

LISTE II

Confidentielle)

Position du Tarif douanier polonais.	*Dénomination des Marchandises.*	*Quantité annuelle.*
		Tonnes.
ex 24, p. 4	Sésame	1,250
53, 54, 55, 56, 57, 58, 60	Fruits frais	500
62 p 1 3.	Raisins secs	500
63 p.2 3.	Figues	250
69 p.1.	Noix et noisettes	400
205	Huile d'olive	200
232	Légumes secs	250
233	Olives	100
280 et 281	Vin	200
ex 125, ex 126	Valonée et extrait de valonée	700
492 et 493	Peaux	100
588 et 605	Tapis et salons	50
589	Laine et mohair	1,000

[E 3244/2583/44] No 38.

Sir P Loraine to Mr Eden - (Received June 4.)

(No. 306.)
Angora, May 29, 1936

Sir,

I HAVE the honour to inform you that on the 26th May in the course of a debate in the Kamutay, or Turkish Chamber of Deputies, on the budget estimates for 1936, the Minister of Justice, in submitting on behalf of the Minister for Foreign Affairs the estimates of the latter's Ministry, made a speech on foreign affairs. I enclose a translation of this speech.

2. Points from the speech of M Sukru Saraçoglu were: "Turkey was on good terms with all her neighbours." "Turkey's policy was to ensure collective security of a regional or general character to refrain from aggression and to oppose aggressors." "The spirit of her long standing friendships and of her pacts with others was purely defensive."

"An essential condition of the establishment of a new regime of security was an agreement between the Mediterranean Powers but to limit this agreement to it the Great Powers was to ignore the lessons of history."

"Turkey sincerely desired a strong League of Nations, embracing all States."

3. Speaking of the Straits question which M Sukru Saraçoglu called "Turkey's most important question" he said that all the signatories of the Straits Convention had agreed to discuss the modification of the convention. "The world had approved Turkey's way of raising the question." He could not say when the discussions would open, but Turkey would try to reach as early as possible the security and fortification of the Straits.

4. M Besse Tunçer, Deputy for Afyon Karahissar (the only Anti-Communist Deputy in the Chamber) urged the Government to decide on a decision about the Straits to be drawn out immediately, but to insist on an early conference, failing which Turkey should make it clear that she would fortify the Straits on her own. (Hand) The Chamber cheered this plea.

5. M Ernst Sazck, Deputy for Eskichehir, criticised the League of Nations and declared that Turkey should not belong to such a helpless an organisation. M Sukru Saraçoglu in reply defended the League while not glossing over its defects. He insisted on the necessity of maintaining and improving it.

I have, &c.
PERCY LORAINE

Enclosure in No 38

Discours de M Sukru Saraçoglu

(Traduction.)

EN soumettant à votre haute appréciation le budget du Ministère des Affaires étrangères, permettez-moi de résumer une nouvelle fois notre politique extérieure.

Nous sommes pour la stabilité de la paix et pour une sécurité internationale effective et efficace. Dans ce but nous entretenons de bonnes relations avec tous nos voisins sans distinction avec lesquels nous n'avons aucun différend sérieux.

Nous sommes témoins de l'atmosphère internationale troublée. Au cours des dernières années surtout la situation en Europe est devenue ainsi sombre. On peut craindre que cette situation instable et incertaine ne mène avec la course aux armements à une nouvelle conflagration entre les peuples. Il est sûr qu'un nouveau fléau de guerre apportera de grands malheurs au monde et ne réglera aucun des problèmes.

Il n'y a rien de plus naturel qu'au milieu de cette façon de voir et concevoir nous ayons pris toutes les mesures qui nous est nécessaire de ne pas négliger les moyens de défense. De même il est tout aussi naturel c'est la politique de Turquie qui est basée sur la sécurité collective, générale ou générale ne pas faire acte d'agresseur et être contre toute agression. C'est de là que provient la sens signification défensive de nos alliances et de nos engagements de pactes.

Si après cette crise pendant laquelle il serait possible de créer un nouveau régime international de calme et d'harmonie la Turquie se sentira heureuse et de cette création que de l'aide qu'elle va y apporter. Nous croyons qu'une entente entre les Etats méditerranéens est une des conditions essentielles pour un nouveau régime de sécurité. Estimer suffisante une telle entente entre les grandes puissances seules, c'est de n'avoir tiré aucun profit des événements actuels. La nécessité pour chaque État de se sentir en sécurité est une condition indispensable pour la tranquillité internationale.

Nous voulons de tout cœur que la Société des Nations soit forte. Notre désir c'est de voir la Société des Nations sortir de la situation délicate dans laquelle nous nous trouvons augmentée de force et de prestige et complétée de ses membres mécontents et manquants.

Votre Haute Assemblée sait que notre plus important problème est actuellement sur le tapis international je veux parler les Détroits. En exposant que la convention existante a perdu ses fondements, nous avons invité les intéressés à un échange des points de vue. Tous les États participants ont répondu positivement à notre demande. Notre proposition a trouvé un accueil favorable partout dans la mesure même dans les pays considérés comme étant différemment opposés en sa politique générale. Il a été constaté en principe que ces nous appuyons sur des bases solides et durables au point de vue de la sécurité le besoin de donner à réglement modèle à un grand problème de sécurité internationale et juste.

Le Gouvernement de la République compte proposer pour la deuxième session qui aura lieu à Genève comme le veut la règle des parlements. Nos contacts bilatéraux et collectifs ont jusqu'ici créé une base solide pour le succès de la conférence. Vous pouvez donc être assurés de faire des déclarations et les propositions sur les résultats auxquels nous pourrons arriver dans cette conférence. Toutefois nous croyons fermement que la cause de la sécurité de l'Europe est étroitement liée à la question des Détroits réglée. Mes amis du Parlement ne pressent toujours ce fait que les Détroits font partie intégrante de la question de sécurité européenne et méditerranéenne. Même dans ces conditions je ne suis pas encore en état de préciser la date à laquelle on pourra arriver à un résultat. Seulement j'assure la haute Assemblée que le Gouvernement fera tous ses efforts pour réaliser le plus tôt possible la sécurité et la fortification des Détroits. Il ne serait pas exagéré de considérer l'importance vitale de la question pour la Turquie dans ces circonstances de l'équité et l'amitié envers la Turquie des États délégués, comme des facteurs promettant un résultat prompt.

E 3326/2583/44] No 39.

Mr. Morgan to Mr Eden (Received June 8.)

No 310.)
Angora, June 1, 1936.

Sir,

I HAVE the honour to inform you that, in closing the debate in the Kamutay on the budget for 1936, the Turkish Prime Minister declared that the Government attached the greatest importance to ensuring a balanced budget, and in relations with foreign countries a balance of payments.

2. He went on to say that there was no visible danger threatening Turkey. If there existed an invisible danger, Turkey did not, in any case, fear it. Turkey's defence organisation was being endowed with the most modern equipment. In case of need, the whole people, men and women, would rise to defend their country. Behind all means of defence and constituting the surest safeguard of the nation, was the will of a people stronger and in a higher degree masters of their nerves than during the battles of sixteen years ago. Ismet Inonü ended by advising foreign nations to realise that the Turkish people and the Turkish State formed a power which must not be ignored in any attempt to safeguard peace and to establish international collaboration.

I have, &c.
JAMES MORGAN

[E 3596/26/44] No. 40

Mr Morgan to Mr Eden —(Received June 17)

(No. 328.)
Sir, *Angora June 12, 1936*

I HAVE the honour, with reference to my telegram No. 135 of to-day's date regarding the Turkish proposals for a new agreement regarding the Straits, to transmit to you the accompanying copy of the outline handed to me on the 11th June by the Secretary General of the Ministry for Foreign Affairs.

2. The proposals contained in the communication were approved by the Turkish Council of Ministers held on the 9th June under the presidency of the President of the Republic and attended by the Chief of General Staff. A further meeting of the Council of Ministers will be held on the 13th June to approve the final form of the proposals.

I have &c.
JAMES MORGAN

Enclosure in No. 40

Outline for New Agreement regarding the Straits communicated by Turkish Government

Du point de vue des idées qui ont présidé à son élaboration le projet turc pour une nouvelle convention destinée à remplacer celle relative au régime des Détroits signée à Lausanne le 24 juillet 1923 peut être résumé par les considérations relatées dans les cinq divisions ci-dessous:

1. Sécurité générale de la Turquie.
2. Sécurité spéciale des zones des Détroits dans lesquelles est comprise la mer de Marmara.
3. Sécurité de la mer Noire.

Première Division — *Sécurité générale de la Turquie*

Le projet a dans ce but abrogé les articles de la Convention de Lausanne relatifs à la démilitarisation des zones des Dardanelles, de la mer de Marmara et du Bosphore rentrant dans la dénomination générale de Détroits, y compris les deux îles grecques.

En outre, le projet stipule que les aéronefs civils et militaires ne peuvent survoler les zones des Détroits et que leur passage entre la Méditerranée et la mer Noire sera assuré en conformité des dispositions générales régissant la navigation aérienne en Turquie et par la route qui leur sera montrée à cet effet.

Partant du même principe de sécurité le projet procède à la réglementation du passage des navires de guerre en temps de paix, en temps de guerre et dans le cas où une menace de guerre peserait sur la Turquie.

La navigation commerciale est libre de toute entrave et dans toutes les circonstances.

Deuxième Division — *Sécurité des Détroits*

En vue de sauvegarder la Turquie contre un coup de force imprévu, le projet limite à 14,000 tonnes le tonnage des navires de guerre pouvant traverser les Détroits.

Cette limite de force étant en rapport avec les forces navales turques l'absence de la flotte turque de sa base de Marmara ou la mise en non-activité provisoire d'une forte unité de celle-ci aurait pour conséquence la nécessité de traverser les Détroits pour la force étrangère, chiffre mentionné en deux fois.

Le même souci de sécurité s'est encore traduit dans le projet par l'interdiction de passage aux submersibles.

Troisième Division — *Sécurité de la Mer Noire*

Dans cette mer où le tonnage de toutes les Puissances riveraines atteint une partie minime de celle qui à tout moment peut se concentrer dans la Méditerranée les forces navales des Puissances non riveraines ne doivent pouvoir

pénétrer que dans le but déterminé de visite de courtoisie et leur tonnage global ne doit jamais constituer une menace contre les flottes des riveraines. C'est pourquoi le tonnage maximum par Puissance fixé à 14,000 tonnes se trouve incorporé dans la limitation globale de 28,000 tonnes admise dans cette mer.

La durée de séjour dans la mer Noire pour les navires de guerre étrangers ne devra pas dépasser quinze jours.

Une réglementation analogue existe dans le projet pour le passage des forces navales des riverains de la mer Noire à la Méditerranée.

La réglementation du passage des navires de guerre ayant été soumise à l'obligation d'un préavis d'un mois à adresser à la Turquie, et la liberté de passage des navires de commerce ayant largement été assurée, la Commission des Détroits ne peut plus avoir sa raison d'être et le projet turc abandonne les articles de la convention relatifs à l'activité de cette commission.

E 3605/62/44] No. 41

Mr Morgan to Mr Eden —(Received June 17)

No. 329 E.)
Sir, *Angora June 12, 1936.*

I HAVE the honour to inform you that in the budget debate in the Kamutay on the 20th May the Minister of Public Works spoke of the programme for the civil air services.

2. M. Ali Çetinkaya said that the air services were formerly attached to the Ministry of National Defence but had been transferred to the Ministry of Public Works. At the time of the transfer the equipment consisted of a poor hangar and two old unserviceable aeroplanes. To establish the air services on a new footing three English planes of the Dragon Rapid type, each carrying six passengers and wireless equipment, were obtained and a regular passenger and mail service between Istanbul and Angora was inaugurated on the 25th May. A pilot and mechanics had received training in England and the machines were considered a very safe type.

3. Referring to his immediate programme, the Minister stated that it was proposed to acquire two larger aeroplanes of the same type, with four engines and accommodation for twelve passengers, and to run services between Istanbul and Smyrna and between Istanbul, Adana, Aleppo and possibly Diarbekir. Ultimately it was hoped to increase the number of aeroplanes to twelve, and to establish a service to Iraq and Iran, for which the necessary expenditure was estimated at £T. 1 million. The Aero-Express station and equipment at Bayukdere (near Istanbul) had been bought with a view to running services from there to Odessa, Athens and Varna, and they had acquired the old race course at Angora for use as an aerodrome for passenger traffic. It was also proposed to build new air stations in Istanbul and in other parts of Turkey.

4. I am sending a copy of this despatch to the Department of Overseas Trade.

I have &c.
JAMES MORGAN

E 3749/26/44] No. 42.

Draft Convention communicated by the Turkish Delegation at Montreux to the Delegations of the other Powers, June 22, 1936 —(Received from the United Kingdom Delegation at Montreux in Despatch No. 1 of June 23, 1936.)

CONFÉRENCE DE MONTREUX

Projet de Convention concernant le Régime des Détroits, proposé par le Gouvernement de la République turque en vue de remplacer la Convention concernant le Régime les Détroits signée à Lausanne le 24 Juillet 1923.

LA Bulgarie, l'Empire britannique, la France, la Grèce, l'Italie, le Japon, la Roumanie, la Turquie, l'Union des Républiques soviétiques socialistes et la Yougoslavie

Animés du désir de réglementer le passage et la navigation dans le Détroit des Dardanelles, la mer de Marmara et le Bosphore, compris sous la dénomination générale de "Détroits," de manière à sauvegarder les intérets du commerce international dans le cadre de la sécurité de la Turquie, ont résolu de remplacer par une nouvelle convention celle conclue à Lausanne le 24 juillet 1923, qui les reconnaissent et déclarent abrogée, et ont nommé à cet effet pour leurs plénipotentiaires respectifs

* * * * * *

Lesquels après avoir exhibé leurs pleins pouvoirs, reconnus en bonne et due forme, sont convenus des dispositions suivantes

ARTICLE 1er

Le passage et la navigation des navires de commerce et des bâtiments de guerre dans les Détroits seront dorénavant réglés par les dispositions de la présente convention

SECTION I. *Navires de Commerce, y compris les Navires Hopitaux, Yachts et Bateaux de Peche*

ARTICLE 2

En temps de paix, les navires de commerce, y compris les navires hôpitaux, yachts et bateaux de pêche, jouiront de la complète liberté de navigation et de passage le jour et de nuit, quels que soient le pavillon et le chargement, sans aucune formalité, taxe ou charge quelconque, sous réserve des services rendus, tels que ceux sanitaires, de pilotage, de phares, de remorquage ou autres.

Pour faciliter la perception des droits se rapportant aux services susmentionnés, les navires de commerce franchissant les Détroits devront signaler aux postes radios par le Gouvernement turc leur nom, leur nationalité, leur tonnage et leur destination.

ARTICLE 3.

En temps de guerre, la Turquie restant neutre, les navires de commerce, y compris les navires hôpitaux, yachts et bateaux de pêche mentionnés dans le précédent article, jouiront, dans les mêmes conditions, du libre passage dans les Détroits.

Il est toutefois bien entendu que cette liberté de passage sera conditionnée par les engagements qui découlent du Pacte pour la Turquie comme membre de la Société des Nations.

ARTICLE 4

En temps de guerre, la Turquie étant belligérante, la liberté de passage sera reconnue aux navires de commerce neutres à condition que ces navires n'assistent en aucune façon l'ennemi.

La traversée des Détroits devra être effectuée pendant le jour et par la route qui sera, sur demande, indiquée par la Turquie.

ARTICLE 5

Les navires de commerce, y compris les navires hôpitaux, yachts et bateaux de pêche, devant pénétrer dans les Détroits seront soumis au contrôle sanitaire conformément aux prescriptions turques y relatives et dans le cadre des dispositions sanitaires internationales.

Toutefois, ce contrôle devra s'exercer à toute heure de la journée et de manière à n'apporter aucun retard à la navigation desdits navires.

SECTION II. *Bâtiments de Guerre et Navires auxiliaires*

ARTICLE 6

En temps de paix, les bâtiments de guerre et les navires auxiliaires, exception faite des sous-marins, auront libre passage de jour, étant bien entendu que cette liberté de passage est réservée aux seuls cas de visites de courtoisie à effectuer par les navires étrangers susmentionnés, quel que soit le pavillon, sans aucune taxe ou charge quelconque et dans les conditions ci-après.

a) Pour le passage des navires de guerre et des navires auxiliaires, un préavis d'un mois, dans lequel devront être précisés la destination, les noms, le genre et le nombre des navires, sera adressé à la Turquie par la voie diplomatique.

Lors du passage de l'unité visée par ce préavis, le commandant communiquera, sans avoir à s'arrêter, à une station de signaux à l'entrée des Dardanelles ou du Bosphore, la composition exacte des bâtiments se trouvant sous ses ordres ainsi que les renseignements complémentaires y relatifs.

(*b*) Dans les conditions prévues par la présente convention, tout Etat non riverain de la mer Noire pourra faire passer à travers les Détroits des navires de guerre n'excédant pas une unité navale composée d'un croiseur et de deux torpilleurs, dont le tonnage global n'excédera pas 14 000 tonnes. Ce tonnage de 14,000 tonnes représente également le maximum global admis pour les navires de guerre étrangers engagés dans la zone des Détroits.

Toutefois si la flotte turque se trouve absente de sa base de Marmara ou si un de ses bâtiments de plus de 10 000 tonnes est provisoirement retiré de l'activité, l'unité étrangère sus-indiquée ne pourra traverser les Détroits qu'en deux fois. Dans ce dernier cas, si un des bâtiments de l'unité est d'un tonnage supérieur à la moitié du tonnage global de l'unité, ledit bâtiment devra effectuer la traversée isolément.

(*c*) Dans la mer Noire, le tonnage global des navires de guerre appartenant aux Puissances non riveraines de cette mer ne pourra excéder le chiffre de 28 000 tonnes.

(*d*) L'unité navale prévue à l'alinéa (*b*) peut être d'une composition différente, à condition que les tonnages maximums prévus pour le passage des Détroits et pour la mer Noire ne soient pas dépassés et que le fait ne donne lieu à aucune modification.

(*e*) Les bâtiments de guerre appartenant aux Puissances non riveraines de la mer Noire qui auront traversé les Détroits pour se rendre dans cette mer seront tenus de quitter cette mer dans un délai maximum de vingt-et-un jours.

(*f*) Les bâtiments de guerre traversant les Détroits ne pourront en aucun cas utiliser les engins dont ils seraient éventuellement porteurs.

(*g*) En aucun cas, les bâtiments de guerre en transit dans les Détroits ne devront user de violence ou de voie de fait contre les riverains de ces Détroits ou contre la navigation, le fonctionnement de ces derniers ou les personnes ou biens se trouvant sur leur territoire ou à leur bord.

(*h*) Les dispositions contenues dans les paragraphes (*a*), (*b*), (*c*), (*f*), (*g*) du présent article s'appliquent également aux navires de guerre appartenant aux Puissances riveraines de la mer Noire et se rendant en Méditerranée.

Toutefois, la totalité des bâtiments envoyés ainsi en Méditerranée pourra retourner dans la mer Noire en observant la réglementation de passage quant à la limite de force prévue au paragraphe (*b*) et aux signaux mentionnés dans le paragraphe (*a*), alinéa 2.

Il est entendu que si une des Puissances riveraines de la mer Noire demande à faire passer à travers les Détroits un bâtiment de guerre de sa flotte existante, dont le tonnage est supérieur au maximum admis pour la traversée et va jusqu'à 25.000 tonnes, ce passage sera subordonné aux conditions suivantes: une autorisation préalable de la Turquie doit être obtenue et le navire doit effectuer la traversée isolément.

ARTICLE 7

En temps de guerre, la Turquie étant neutre, les bâtiments de guerre et les navires auxiliaires jouiront du libre passage dans les Détroits aux conditions prévues dans l'article précédent.

Il sera interdit aux bâtiments de guerre des belligérants de procéder à aucune capture, d'exercer le droit de visite et de se livrer à aucun acte d'hostilité dans les Détroits.

Il est toutefois bien entendu que la liberté de passage mentionnée à l'alinéa 1er du présent article sera conditionnée par les engagements qui découlent du Pacte pour la Turquie comme membre de la Société des Nations.

ARTICLE 8

En temps de guerre, la Turquie étant belligérante, le passage des bâtiments de guerre et des navires auxiliaires est subordonné à une autorisation spéciale de la Turquie renonçant les dispositions de l'article 6.

ARTICLE 9

Au cas où la Turquie se jugerait être en état de menace de guerre, elle aurait le droit d'appliquer les dispositions de l'article 8 de la présente convention en avisant la Société des Nations pour toutes fins requises et en informant les Puissances signataires de la présente convention

ARTICLE 10

Les bâtiments de guerre ayant à bord des cas de peste, de choléra, de fièvre jaune, de typhus exanthématique ou de variole, ou en ayant eu depuis sept jours ainsi que les bâtiments ayant quitté un port contaminé depuis moins de cinq fois 24 heures, devront passer les Détroits en quarantaine et appliquer par leurs moyens du bord les mesures prophylactiques nécessaires pour éviter toute possibilité de contamination des Détroits

SECTION III — *Aéronefs civils et militaires*

ARTICLE 11

Les aéronefs civils et militaires ne peuvent pas survoler les Détroits, leur passage entre la Méditerranée et la mer Noire sera assuré conformément à la réglementation de la navigation aérienne en Turquie et par une route qui leur sera indiquée

SECTION IV

ARTICLE 12

Les dispositions de la présente convention ne peuvent être étendues ni interprétées de manière à porter atteinte à la souveraineté de la Turquie sur les zones visées par cette convention

SECTION V

ARTICLE 13

La présente convention qui abroge et remplace les dispositions de la Convention concernant le Régime des Détroits signée à Lausanne le 24 juillet 1923, sera ratifiée et les ratifications seront déposées aux archives du Gouvernement de la République française à Paris, aussitôt que faire se pourra

Elle entrera en vigueur à la date de sa signature

Elle aura une durée de quinze ans

La Turquie et chacune des autres Puissances contractantes avec le consentement de celle-ci auront la faculté de proposer en donnant un préavis de trois mois aux parties contractantes, toute modification à la présente convention qu'elles jugeront utile, à l'expiration de chaque période quinquennale à compter de la date de la signature.

[E 3816/23/44] No. 43

Mr Morgan to Mr Eden — (*Received June 25*)

(No. 322 E)

Sir *Angora, June 8, 1936*

I HAVE the honour, with reference to Sir P Loraine's despatches No 297 F of the 20th June 1935, and No 210 E of the 18th April 1936 to inform you that the Turkish budget for 1936-37 was voted by the Kamutay on the 28th May and to transmit to you the accompanying analysis of the estimates which has been prepared by the Ottoman Bank (1)

2 The budget provides for a total revenue of £1 212 764,000 as compared to £T 195,913,000 in 1935-36 whilst the estimates of expenditure amount to £T 212 755 580 as against £T 195 911 000 in 1935-36 A small surplus of £T 8 420 is therefore provided for

3 The marked increase in the estimates of revenue is not as already reported so great as it appears to be for the following sources of revenue which existed during the financial year 1935-36 were not incorporated in the budget They have been included in the 1936-37 estimates The real increase in revenue

(1) Not printed

therefore, represents £T 9,151,000, and is based on the surplus realised during the first eight or nine months of the financial year 1935-36

4 It will be observed from p 9 of the Ottoman Bank's analysis that increases in revenue are anticipated from the following sources —

Live stock
Profits tax
Customs duties.
Transaction and consumption taxes.
Monopolies.
Stamps and spirits and tobacco.
Diverse revenues
Crisis and equilibrium taxes and from Mosul petroleum

5. The Ottoman Bank was of opinion that the Turkish Government was too optimistic in regard to the estimated increase in customs duties, but quite recently a large number of tariff positions have been added to List "KL" (clearing list) under the general quota regime which, owing to lack of quotas, did not be introduced into the country

6. To turn to expenditure (see p 13 and following of the enclosed analysis(1)) the vote for the Ministry of National Defence shows an increase of L. 6 783 882 due principally to an increase in the pay of officers, to increased expenditure on aviation and to a rise in the Navy Department vote

7 The National Defence vote represented 30 per cent of the total budget and to this must be added over £T 7 million in respect of past debts and the supplementary expenditure on armaments which will be covered by credits maturing at a later date

8 The vote for the Ministry of Finance shows an increase of £T 3,980 236 Of 1 million of this increase is represented by the estimated loss to be incurred by the Agricultural Bank in keeping up the internal price of wheat and a further £1 1 million provides for the amount payable to the same bank in regard to the spread over a period of fifteen years, of debts due by farmers

9 The vote for the Ministry of Public Works shows an increase of £1 2 220 785 which is principally earmarked for the construction of Government buildings

10 The Ministry of Agriculture receives an addition to its vote of L. 2 961 570 to cover increased expenditure on cotton cultivation, measures against insects and animals harmful to agriculture and the exploitation of State forests

11 The remaining departmental votes show no particular change

12 I am sending a copy of this despatch to the Department of Overseas Trade

I have &c
JAMES MORGAN

(1) Not printed

E 3823/3823/44] No. 44.

Mr Morgan to Mr Eden —(*Received June 25.*)

No. 337 E)

Sir *Angora, June 17, 1936*

I HAVE the honour to transmit the accompanying translation of Law No 2080 voted on the 22nd May and published in the *Official Gazette* of the 29th May, by which the Ministry of National Defence is authorised to enter into contracts for the purchase of artillery and gun equipment and the construction of factories for the manufacture of shells up to a total expenditure of £T 67 million which will be spread over a period of ten years the maximum expenditure authorised in any one financial year being £T 7 500 000

2 It is evident that this new expenditure will increase Turkey's foreign exchange liabilities very considerably

3 I am sending a copy of this despatch to the Department of Overseas Trade

I have &c
JAMES MORGAN

Enclosure in No 44

Extract from the Journal officiel *of May* 26, 1936

Loi relative aux Engagements d'un Montant de £T 67 Millions à contracter par le Ministère de la Défense nationale — *Loi No* 2080, *votée le* 22 *Mai* 1936

(Translation)

ARTICLE 1er — Le Ministère de la Défense nationale est autorisé à contracter des engagements d'un montant de £T 67 millions pour des achats de canons, accessoires et matériel d'artillerie pour l'armée et pour les installations à faire par la Direction générale des Fabriques militaires pour la fabrication de ce matériel, de façon à ce que la tranche annuelle à payer ne dépasse pas £T 7,500,000 et que la totalité soit remboursée jusqu'à la fin de l'année financière 1946.

Sur la tranche qui sera remboursée chaque année £T 1 million sera prélevé chaque année sur le chapitre de matériel et équipement de guerre du budget de la Défense nationale pour les années 1937-45. Pour le solde et les intérêts il sera prévu des crédits dans les chapitres spéciaux à ouvrir dans les budgets du département de l'armée, de la Défense nationale et de la Direction générale des Fabriques militaires.

Art. 2. — Sur les pouvoirs d'engagements accordés en vertu de l'article 1er un montant total de £T 14,700,000 a été affecté à la Direction générale des Fabriques militaires pour être dépensé comme suit :

Une somme de £T 6,500,000 en six ans, soit £T 1,100,000 par an à partir de l'année financière 1936, pour les installations des fabriques de rien de £T 8 millions en quatre ans, soit £T 2 millions (£ par an) pour la fabrication de munitions d'artillerie et £T 100,000 pour la construction de dépôts de munitions.

Art. 3. — Une réduction de £T 8,500,000 a été faite sur les pouvoirs d'engagement d'un montant de £T 46,500,000 accordés en vertu de l'article 1er de la Loi No 2425.

Art. 4. — Le Ministère des Finances est autorisé à émettre des bons en contre-partie des engagements à contracter en vertu de l'article 1er et des intérêts.

Art. 5. — La présente loi entre en vigueur à partir de la date de sa publication.

Art. 6. — Les Ministres de la Défense nationale et des Finances sont chargés de l'application de la présente loi.

[E 3880/129/44] No 45

Mr Morgan to Mr Eden (*Received June* 25)

(No. 346)

Sir, *Angora, June* 20, 1936

I HAVE the honour to inform you that the semi-official Anadolu news agency of the 15th June contained an announcement to the effect that Ataturk had relieved of his duties M. Receb Peker, secretary-general of the People's party (Republican party of the People) and that in future M. Ismet Inonü, the Turkish Prime Minister, would, for the time being, act as the representative of Ataturk in performing these duties.

2. The People's party, to which reference is made in His Majesty's Ambassador's despatch No. 223 of the 10th May, 1935, to you and in annual reports of the last five years, is the only political party in Turkey. The President of the Republic is effective president of the party and all the members of the Government and of the services belong to it. In addition to supplying the Government to the country, the party has made itself responsible for the social and political education of the people, for its progress in sport and domestic science, and for its greater comprehension of the duties of nationality, patriotism and love, devotion to, and conversion into practice of the principles of the party.

3. The reason for Ataturk's decision, a decision which was taken and a general surprise at its suddenness, was that it had been found that there was a tendency, especially on the part of the members of the People's party in provincial districts, to act independently of the local authorities, and even to lay claim to a greater authority. Even the secretary-general had been infected by this spirit, and was inclined to behave as though equal in power to the Prime Minister.

4. In future such a state of affairs is not to be permitted. A declaration by M. Ismet Inonü of the 18th June informs the country that the duties of secretary-general of the party will henceforth be assumed by the Minister of the Interior and that the Governors-General of provinces are to be heads of the local party organisations in their respective districts. The various inspectors-general are to exercise a control over the zones in their charge.

5. M. Receb Peker, who remains a member of the General Council of the People's party, has sent a circular message to all party organisations and to the press to the effect that everything that Ataturk does is the best and truest thing possible.

I have, &c.
JAMES MORGAN

E 3976/1903/44 No 46

Mr Morgan to Mr Eden (*Received June* 30)

(No. 350 T.)

Sir, *Angora, June* 20, 1936

I HAVE the honour, with reference to Sir Percy Loraine's despatch No. 573 E. of the 9th November, 1935, to inform you that the provisional figures of income and expenditure on State railways for the financial year 1936-37, as voted by the Grand Assembly, are as follows:

		£T
2	Revenue	23,370,000
	Expenditure	22,364,000

The revenue vote represents an estimated increase of £T 670,000 over last year's vote (which was £T 22,700,000) to be derived from the operation of 423 kilom. of new lines, to which a further 165 kilom. will shortly be added. It will be seen from paragraph 4 below that receipts for 1935-36 only attained £T 21,500,000 odd and were thus more than £T 1,000,000 short of the estimated revenue. The reason was doubtless the reduction of transport rates and the fact that the cereal crop fell short of estimates.

3. The following comparative table sets forth the votes under the different headings compared with those of last year:

	1935 £T	*1936* £T
(1) Railways		
(*a*) Passengers	4,600,000	6,150,000
(*b*) Transport of passengers' luggage	150,000	200,000
(*c*) Carriage of goods	400,000	450,000
(*d*) Fast goods traffic	750,000	900,000
(*e*) Slow goods traffic	12,785,000	13,850,000
(*f*) Miscellaneous	500,000	570,000
	19,185,000	22,120,000
(2) Ports and quays—		
(*a*) Port and quays of Haydarpaga	700,000	630,000
(*b*) Port of Derince	150,000	150,000
	850,000	780,000
(3) Sums levied for purposes of hygiene	150,000	170,000
(4) Miscellaneous receipts	15,000	50,000
(5) Smyrna-Aidin Railway	2,500,000	
(6) Subsidy from the Public Works budget for lines transferred to the State		250,000
Total	22,700,000	23,370,000

Expenditure.

	1935. £T	*1936.* £T.
Salaries(')	5,150,720	6,592,998
Travelling expenses	100,000	121,701
Assistance to employees	676,529	690,000
Administration	793,500	858,896
Exploitation(')	7,171,036	8,148,394
Miscellaneous	33,000	30,000
Debts	105,000	158,000
Installations	964,600	273,200
Insurances	40,000	55,000
Pensions to widows and orphans	1,800	1,800
Annuities for repurchase of lines	4,893,755	5,855,755
Foreign specialists	70,000	100,000
State Bank	200,000	228,858
Expenses of Smyrna Aidin Railway	2,500,000	
Expenses of lines transferred		250 000
Total	22,700 000	23,364,657

4. In the Kamutay on the 29th May the Minister of Public Works gave the following figures showing the receipts of the Government railways (including those of railways which had not been purchased by the Government before 1930) : -

	£T.
1930 31	20,700,000
1931–32	21,226,000
1932 33	17,000,000 odd
1933–34	19,500,000
1934-35	23,700,000 odd
1935 36	21,500,000 odd

Out of these receipts, after paying the cost of operation the following payments have to be made :—

	£T.
Annuity of Anadolu -Mersin Adana–Haydarpaşa lines	3,864,000
Annuity of Smyrna–Kassaba line	1,375,000
Annuity of Aidin line	1,172,000

M. Ali Çetinkaya added that £T 250,000 was also given to the State Bank.

5 I am sending a copy of this despatch to the Department of Overseas Trade.

I have, &c.
JAMES MORGAN.

(') The increase under this heading represents—

	£T.
Salaries paid to the personnel of the Smyrna-Aidin Railway	580,000
Application of the Barème Law	425,000
To the staff of new railway lines	487,278
	1,442,278

(') The increase under the heading of exploitation consists of extra expenditure for coal, oil, heating of buildings, &c and repairs to rolling stock and permanent way

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FURTHER CORRESPONDENCE

RESPECTING

TURKEY

PART XXXII

JULY TO DECEMBER 1936

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Paris, le 12 Septembre, 1936

CONSULTATION

relative aux réclamations des héritiers du Sultan Abdul-Hamid II portant sur les biens et propriétés visés à l'art. 60, al. 2, du Traité de Lausanne du 24 Juillet 1923

PRÉAMBULE.

1. Le Sultan Abdul-Hamid II était Souverain de l'Empire ottoman et Khalife des Sultans sunnites, de 1876 à 1909.

En Juillet 1908 il avait dû accepter, à la suite de la révolution jeune turque, le régime constitutionnel.

Déposé en Avril 1909, il est décédé en 1918.

2. Le Sultan Abdul-Hamid II avait possédé des biens et propriétés très considérables de diverses [illegible].

Ces biens et propriétés étaient épars sur tout le territoire de l'Empire ottoman, et une partie d'entre eux n'était pas sous le régime d'Abdul-Hamid II, placée sous le nom de [illegible] dans les registres cadastraux aux conditions [illegible] dans ces mêmes registres cadastraux.

3. Tous ces biens et propriétés sus-mentionnés étaient gérés par une administration [illegible] Hazinei Hassai Chahane Nézareti.

La traduction littérale de cette expression est : Ministère du Trésor privé impérial.

Mais dans la pratique l'expression : Ministère de la Liste civile impériale ou, plus brièvement, l'expression : Ministère de la Liste civile servait à désigner le Hazinei Hassai Chahane Nézareti.

Et par "Liste civile" on entendait l'ensemble des biens et propriétés du Sultan, compris l'allocation impériale.

Le Ministère de la Liste civile avait le caractère d'administration publique. A ce titre, les dispositions de la loi sur le Timbre, relatives aux administrations publiques, lui étaient applicables.

Son chef ne siégeait pas au Conseil des Ministres.

4. Antérieurement à sa déposition par le Sultan Abdul-Hamid II avait, par un Iradé* du 26 Août 1324 (8 Septembre 1908) transféré et abandonné à l'Etat ottoman une partie importante des terrains et propriétés administrés par le Ministère de la Liste civile.

5. Postérieurement à la déposition du Sultan Abdul-Hamid II, son successeur Réchad, le Sultan Mehmed Réchad V avait, par un Iradé du 20 Avril 1325 (2 Mai 1909), ordonné le transfert et l'abandon à l'Etat ottoman des propriétés, fermes et concessions [illegible] terres incorporés dans le Domaine impérial depuis l'année 1293 (1876) au nom de [illegible]-Souverain, ainsi que divers autres biens compris dans ce Domaine.

6. Les biens et propriétés, cédés à l'Etat ottoman en vertu des Iradés de 1908 et 1909 et situés dans certains territoires détachés de l'Empire ottoman, sont expressément visés dans les alinéas 2 et 3 de l'article 60 du Traité de Lausanne.

7. Cet article est ainsi conçu :

Les Etats en faveur desquels un territoire a été ou est détaché de l'Empire ottoman, soit à la suite des guerres balkaniques, soit par le présent Traité, acquerront gratuitement tous biens et propriétés de l'Empire ottoman situés dans ce territoire.

Il est entendu que les biens et propriétés dont les Iradés du 26 Août 1324 (8 Septembre 1908) du 20 Avril 1325 (2 Mai 1909) ont ordonné le transfert de la Liste civile à l'Etat ainsi qu'à ceux qui, au 30 Octobre 1918, étaient administrés

* Ces par Iradés que se nomment et le plus souvent [illegible] donnés sous la signature spéciale du Souverain pour [illegible] Lois et Règlements de l'Empire. Les Iradés [illegible] enregistrés dans un Bureau [illegible] transmis aux Services intéressés par le Secrétariat du Souverain.

par la Liste civile au profit d'un service public, sont compris parmi les biens et propriétés visés à l'annéa précédent, les dits Etats étant subrogés à l'Empire ottoman en ce qui concerne ces biens et propriétés, les vakoufs constitués sur ces biens devant être respectés

" Le litige surgi entre le Gouvernement hellénique et le Gouvernement turc relativement aux biens et propriétés passés de la Liste civile à l'Etat et situés sur les territoires de l'ancien Empire ottoman transférés à la Grèce, soit à suite des guerres balkaniques, soit postérieurement, sera soumis, selon le compromis à conclure, à un tribunal arbitral à La Haye conformément au Protocole spécial N° 2 attaché au Traité d'Athènes du 1/14 Novembre 1913

" Les dispositions du présent Article ne modifieront pas la nature juridique des biens et propriétés inscrits au nom de la Liste civile ou administrés par elle et non visés aux alinéas 2 et 3 du présent Article "

8. En exécution de l'alinéa 2 de cet article les Etats successeurs sont entrés en possession des biens et propriétés dont les Traités précités avaient ordonné le transfert à l'Etat ottoman ainsi que des biens et propriétés qui, au 30 Octobre 1918, étaient administrés par la Liste civile au profit d'un service public

9. Mais, les héritiers du Sultan Abdul-Hamid II contestent la légitimité de cette entrée en possession

Ils réclament en conséquence la restitution des biens et propriétés mentionnés aux N° 8 ci-dessus et appartenant de leur chef à leur

(a) Les Princesses Sabiha Abdul Kader Ahmed Barhan-ed-Din Abdur Rahim Nour-ed-Dine et Abid ses fils

(b) Les Princesses Zakie Naime Nadir Cadri Aabet et Refet, ses filles

(c) Mesdames Behiye Hadidje Nadjie Fatma Emine Nour Saniye, Pervesteh Mahboke et Bedrie ses épouses

De ces huit dames, considérées comme ayant été les épouses du Sultan Abdul Hamid II, des trois premières sont décédées selon des indications récemment fournies

11. — Ayant été consulté au nom du Gouvernement de Sa Majesté Britannique par l'honorable Treasury Solicitor sur les réclamations des héritiers du Sultan Abdul Hamid II, le soussigné, après avoir examiné les consultations données à propos de la succession de ce dernier, ainsi que les textes qui se rapportent directement ou indirectement aux dites réclamations croit devoir émettre l'avis suivant

OBSERVATIONS GÉNÉRALES.

12. Pour pouvoir apprécier dûment le principe même de la revendication exercée par les héritiers du Sultan Abdul-Hamid II il semble nécessaire de posséder quelques précisions sur les points ci-après

(*a*) Le régime existant en Turquie antérieurement à la révolution jeune-turque de Juillet 1908,

(*b*) Ce qu'était le Domaine impérial,

(*c*) Le mode de transmission du Domaine impérial au décès des Sultans ou à la suite de leur déposition,

(*d*) Le changement essentiel apporté par le Sultan Abdul Hamid II à ce mode de transmission, ses bénéficiaires et la valeur de ce changement

(a) Le régime existant en Turquie antérieurement à la révolution jeune-turque de Juillet 1908.

13. Jusqu'à la révolution de Juillet 1908 et abstraction faite du peu de temps où fut appliquée la Constitution promulguée en 1876 la Turquie était une *monarchie despotique* au sens plein de ces mots

Le Souverain de Turquie détenait tout le pouvoir législatif et tout le pouvoir exécutif et, grâce à cette situation sur le pouvoir judiciaire lui-même

Sauf en certaines matières, la volonté du Souverain était la loi suprême

Etant la loi suprême la volonté du Souverain n'était point liée par les lois et règlements qu'il édictait

Celles-là comme ceux-ci, obligeaient les sujets turcs et parfois les ressortissants étrangers, mais non le Souverain, en tant que ses intérêts étaient en jeu

Ainsi, notamment et contrairement à ce qui est dit dans la Consultation de M. Politis en date du 17 Janvier 1934 N° 7 *in fine*—sur la foi d'une déclaration inexacte du Ministre ottoman du Cadastre en date du 8 Octobre 1921 annexée à cette Consultation—les propriétés du Souverain n'étaient assujetties à aucun impôt*, et il suffisait même que le bétail soumis à la taxe annuelle fût dirigé aux époques des perceptions, sur des pâturages relevant du Domaine impérial pour que le fisc ne pût exercer ses droits†

Mieux encore, dans les terres appartenant au Souverain, la dîme incombant aux gens qui cultivaient ces terres était perçue non par le fisc, mais pour le compte exclusif du Souverain‡§

(b) Ce qu'était le Domaine impérial.

14. S'agissant de définir le Domaine des Sultans de Turquie, il faut se garder de projeter des conceptions s'appliquant à la formation du Domaine des anciens Khalifes ou des Souverains modernes

En Turquie, le Domaine du Souverain avait un caractère tout particulier

Le Souverain possédait une première catégorie de biens qui sont acquis au [illegible] personnel

Par succession, [illegible] (propriétés du Souverain)

Sous l'empire des anciens Sultans le Souverain possédait en outre une catégorie de biens sur laquelle

Il avait un droit de disposition qu'il ne se trouvait pas avoir à l'égard de la seconde catégorie de biens

Le Souverain de Turquie était maître absolu des biens et ressources de l'Etat en tant qu'il ne disposait pas de ces choses et parties même grand livre

Vizir [illegible] Mari [illegible] le Trésor public [illegible] acquises par le Souverain sur [illegible] en France et tout cela est que ces [illegible] étaient payées [illegible] sur les [illegible] insignifiants sans rapport avec la valeur des terres [illegible] puis

Ainsi le Souverain [illegible] des concessions [illegible] très concessions, [illegible] sur son lit de mort sans avoir à solder les dépenses auxquelles elles [illegible] simples particuliers

Ainsi le Souverain puisait à sa guise dans les ressources publiques [illegible] revenus et [illegible] d'Etat [illegible] pour assurer tant bien que mal, et [illegible] souvent fort mal, [illegible] les services de l'Etat

Par contre [illegible] impérial, les services de l'Etat

Il puisait dans ces ressources soit pour subvenir aux énormes dépenses du Harem impérial et de la Cour impériale soit pour se faire construire des palais [illegible] soit pour faire des dons à ses favoris et pour entretenir ses innombrables [illegible] soit encore pour acheter des propriétés qui, comme les terres " Miri " et les ressources ci-dessus mentionnées s'ajoutant aux " Emlak-i-Hakiané "

Toute distinction entre le Domaine impérial et les revenus impériaux d'une part, le Domaine public et les ressources publiques d'autre part, était donc illusoire, les [illegible] revenus venant se fondre dans les premiers au gré du Souverain

(c) Le mode de transmission du Domaine impérial.

15. La dévolution des biens des Sultans était régie par des principes qui, entièrement différents du droit commun musulman, étaient spéciaux à la Turquie

Contrairement à l'opinion exprimée par M. le Professeur Sabonadière en 1921, on ne saurait donc déterminer les conditions de cette dévolution d'après ce droit commun, ni d'après ce qui a pu se passer à la mort du prophète Mahomet ou des Khalifes *qui n'étaient pas à la fois Khalifes et Sultans de Turquie*

16. En Turquie il était de règle que au décès ou à la suite de la déposition d'un Sultan son successeur prenait possession de tous les biens mobiliers et immobiliers qui avaient appartenu au Sultan décédé ou déposé

* Cf. Yorck, Corps de Droit ottoman Vol. VI page 120 et Meyrowitz Les Finances de la [illegible] page 81

† Cf. Meyrowitz [illegible] page 24

‡ Cf. Le Fevre [illegible] page 24 [illegible] Cadastre il ne faut [illegible] que les [illegible] Abdul Hamid II était [illegible] soumis [illegible] [illegible] [illegible]

Car ce dernier les avait détenus en tant que Sultan et seulement en tant que Sultan.

Dès lors, aucune discrimination n'était faite entre ces mêmes biens, selon qu'ils auraient été des biens personnels de l'ex-Sultan ou des biens de la Couronne.

Si le nouveau Sultan était de nature généreuse, il abandonnait à la famille de son prédécesseur telle partie de la fortune de celui-ci. Mais généralement, les princes impériaux, tous les princes impériaux y compris le prince héritier, vivaient obscurément du traitement que leur accordait le Souverain régnant.

Ainsi le Sultan Mourad V, qui succéda en 1876 à son oncle le Sultan Adbul Aziz était, à son avènement, un homme relativement pauvre, bien qu'il fût fils du Sultan Abdul-Médjid.

Ainsi, le Sultan Abdul-Hamid II qui succéda la même année à son frère Mourad V était, à son avènement, un homme rien moins que riche.

Ainsi le Sultan Mehmed Rechad V qui succéda en 1909 à son frère Abdul Hamid II était, à son avènement lui-même un homme qui possédait fort peu de biens.

Et c'est à titre exceptionnel que des princes impériaux jouissaient d'une véritable fortune personnelle. Mais, celle-ci était toujours assez peu importante pour ne pas susciter la jalousie ou la crainte du Sultan régnant.

d) Le changement essentiel apporté par le Sultan Abdul-Hamid II au mode de transmission du Domaine impérial, les bénéficiaires et la valeur de ce changement.

17. Le Sultan Abdul-Hamid II n'ignorait pas que si sa dynastie pouvait, comme par le passé, disposer librement des biens particuliers, laissait aux siens le droit de jouir des biens impériaux, elle était assurée de voir ses membres se disputer le pouvoir suprême et son successeur n'être que trop souvent réduit aux alternatives de l'exil ou de la mort.

Soucieux de l'avenir de ses *enfants*, il entreprit de transgresser sur ce très vaste point cette règle jusque-là observée et il prescrivit des conséquences aux différentes tentatives qui seraient faites pour porter atteinte aux libéralités et considérables propriétés qu'il avait acquises et dont il spécifiait dans les registres et actes administratifs qui les concernaient qu'elles devaient être transmises à ses *enfants*.

Si bien que le droit ainsi conféré fut marqué par la marque de la propriété de la dynastie régnante.

18. Disposant de la puissance souveraine, le Sultan Abdul-Hamid II pouvait donner un tel caractère qui n'emportait l'altération essentielle des conditions de transmission du Domaine impérial.

Mais il dépendait tout autant de ceux qui, après lui, seraient investis de la puissance souveraine de ne pas tenir compte de cette même ordonnance et de rétablir l'ancienne règle ou celle de la modifier.

Ainsi c'est le Sultan Mehmed Réchad V en transférant et en abandonnant à l'Etat ottoman des biens inscrits au nom du Sultan Abdul-Hamid II et incorporés dans la Liste civile depuis 1876 (*supra*, N. 5).

Ainsi a fait le Sultan Mehmed Vahd-ed-Dine VI successeur de Mehmed Réchad V en revendiquant notamment les biens qui avaient fait l'objet des Iradés de 1908 et 1909 en les revendiquant, *non point pour les enfants d'Abdul-Hamid II*, mais pour lui-même en sa qualité de Sultan et de Chef de la Famille impériale possédant *seul* le droit de jouissance, d'administration et de *disposition* de ces biens*.

Ainsi a fait la Grande Assemblée Nationale de Turquie, qui exerçant au nom de la nation turque l'autorité souveraine, a pris, par la loi du 3 Mars 1924, notamment les dispositions suivantes :

> Article 8. — *Les biens immeubles enregistrés au Tapou (titre du cadastre) au nom des personnes ayant exercé la dignité de Padichah (Sultan) dans l'Empire ottoman et situés dans le territoire de la République de Turquie, sont acquis à la nation.*
>
> Article 9. — Tous les mobiliers garnissant les palais, Kiosques et autres bâtisses appartenant à la Royauté déchue, les services de table, les tableaux, les œuvres d'art ainsi que tous objets s'y trouvant sont acquis à la nation.
>
> Article 10. — Les immeubles dits " Emlak-i-Hakanie " qui avaient été antérieurement transférés à la nation, tous les édifices appartenant à la Royauté déchue, l'édifice du Vieux Trésor, les palais, Kiosques avec tout ce qu'ils contiennent ainsi que les autres bâtisses ou terrains sont acquis à la nation.

* Cf. Consultation de MM. Rolin et Pelle, en date du 10 Août 1925, pages 5, 9, 10, 31 et le texte du décret-loi du 8 Janvier 1920.

19. — Sous le bénéfice de ces observations auxquelles il sera référé, en tant que de besoin, dans la suite de la présente consultation, le soussigné exposera la substance de la thèse soutenue par les héritiers du Sultan Abdul Hamid II et la discutera en détail.

LA THÈSE DES HÉRITIERS.

20. La thèse des héritiers, qui, pour la défense d'intérêts dissemblables, est développée dans les Consultations précitées de M. Politis et de MM. Rogain et Pelle, peut être ainsi résumée :

L'article 60, alinéa 2 du Traité de Lausanne ne permet pas *en termes absolus*, aux Etats successeurs d'acquérir gratuitement, à l'instar des biens et propriétés de l'Empire ottoman, les biens et propriétés dont les Iradés de 1908 et 1909 avaient ordonné le transfert de la Liste civile à l'Etat, ni les biens et propriétés qui, au 30 Octobre 1918, étaient administrés par la Liste civile au profit d'un service public.

Il comporte seulement, et de façon expresse, la subrogation de ces Etats à l'Empire ottoman en ce qui concerne les biens et propriétés de ces deux dernières catégories.

N'étant que *subrogés* à l'Empire ottoman, les dits Etats ne peuvent avoir sur ces mêmes biens, plus de droits que n'en avait l'Empire ottoman.

Dès lors, ils pourront en réclamer la possession si l'Empire ottoman en était lui-même maître. Ils ne le pourront pas au cas contraire.

Mais l'Empire ottoman *n'était pas le maître* des susdits biens et propriétés.

Il n'en était pas le maître pour les multiples raisons suivantes :

1° Iradé de 1908 avait pour objet la conclusion d'un emprunt de 1 000 000 Livres turques et son affectation au paiement des dettes de la Liste civile. Or cet emprunt n'a pas été conclu.

2° Iradé de 1909 ordonnant le transfert à l'Etat des propriétés foncières et concessions minières acquises par le Souverain n'était qu'une mesure de confiscation de biens appartenant à autrui. Or toute confiscation était interdite par la loi ottomane.

3° De plus, la teneur même de cet Iradé de 1909 qui ne fait aucune mention de l'Iradé de 1908 montre que ce dernier Iradé n'était pas considéré comme ayant une existence légale.

Pour être valables en droit l'un et l'autre Iradés auraient dû être incorporés dans la législation ottomane. Or cette incorporation n'a pas eu lieu.

Pour être valables en fait l'un et l'autre Iradés auraient dû être suivis d'actes ayant l'exécution de leurs dispositions. Or aucune mesure d'exécution n'a été prise à la suite de leur promulgation.

Pour que les transferts ordonnés fussent effectifs, ils auraient dû être transcrits sur les registres cadastraux. Or cette transcription n'a pas eu lieu.

Enfin, l'un et l'autre Iradés ont été annulés par un décret-loi du 8 Janvier 1920, promulgué sous le règne du Sultan Mehmed Vahd-ed-Dine VI.

Les deux Iradés étant ainsi frappés de mort, à tous points de vue, n'ont pu créer au profit de l'Empire ottoman, aucun droit sur les biens et propriétés en question.

En conséquence, ceux-ci n'ont pu être cédés aux Etats successeurs, et doivent faire retour aux héritiers désignés du Sultan Abdul Hamid II, sur la seule production des titres établissant le droit de propriété de leur auteur.

DISCUSSION DE LA THÈSE DES HÉRITIERS.

21. — Comme on le voit, la clef de voûte de toute la thèse des héritiers est constituée par l'article 60, alinéa 2 du Traité de Lausanne.

Il convient donc de déterminer tout d'abord le sens de cette clause.

A. Le sens de l'article 60, alinéa 2 du Traité de Lausanne.

22. Vu l'importance du débat, il y a lieu de reproduire ici le texte des alinéas 1er et 2me de l'article 60, le dernier de ces dispositions se référant expressément à la première :

Alinéa 1er :

> " Les Etats en faveur desquels un territoire a été ou est détaché de l'Empire ottoman, sont, à la suite des guerres balkaniques, sont par le présent Traité, acquerront entièrement tous biens et propriétés de l'Empire ottoman situés dans ce territoire. "

Alinéa 2me :

> Il est entendu que les biens et propriétés dont les Iradés du 26 Août 1324 (8 Septembre 1908) ou 20 Avril 1325 (2 Mai 1909) ont ordonné le transfert de la Liste civile à l'Etat ainsi que ceux qui, au 30 Octobre 1918, étaient

administrés par la Liste civile au profit d'un service public, sont compris parmi les biens et propriétés visés à l'alinéa précédent, lesdits Etats étant subrogés à l'Empire ottoman en ce qui concerne ces biens et propriétés, les vakoufs constitués sur ces biens devant être respectés ".

23. La seule lecture de ces textes permet de constater combien la thèse soutenue par les héritiers s'écarte de la lettre de ces mêmes textes.

Les biens et propriétés considérés dans l'un et l'autre alinéas, forment, non pas trois catégories distinctes, mais une même catégorie de biens et propriétés : les biens et propriétés appartenant à l'Empire ottoman et situés dans les territoires détachés.

En effet, l'alinéa 2 dispose de la façon la plus nette que les biens et propriétés, qui y sont désignés sont *compris* parmi les biens et propriétés visés à l'alinéa précédent :

Or, quels sont les biens et propriétés visés à l'alinéa précédent ?

Ce sont " les biens et propriétés de l'Empire ottoman ".

Dès lors, il est évident que les biens et propriétés indiqués dans les deux alinéas doivent avoir dans des conditions identiques, un sort commun qui, dans l'alinéa 1er, est leur acquisition gratuite par les Etats successeurs.

24. Cette constatation, qui n'est même pas une interprétation, est pleinement confirmée par l'expression " ces biens et propriétés " deux fois employée dans l'alinéa 2 *in fine*.

En effet, d'après les règles bien connues de la grammaire française, il est clair que cette expression ne peut se rapporter qu'aux biens et propriétés dont la mention est la plus proche.

Or, quels sont les biens et propriétés dont la mention est la plus proche de ladite expression ?

Ce sont " les biens et propriétés visés à l'alinéa précédent ", lesquels comprennent les biens et propriétés énoncés à l'alinéa 2.

25. Cette même constatation est encore confirmée par la phrase finale de l'alinéa 2 aux termes de laquelle tous privilèges ou droits de vakoufs.

En effet, si les biens, compris dans les vakoufs doivent être respectés par les Etats successeurs, dans les mêmes conditions que les biens et propriétés visés à l'alinéa 1er et à l'alinéa 2.

26. Il faut cependant répondre à la question suivante :

Puisque, dans l'alinéa 2, les biens et propriétés ne forment qu'une seule et même catégorie, pourquoi certains d'entre eux sont-ils spécialement désignés dans l'alinéa 2 ?

La réponse à cette question est fort simple, et elle est fournie par les termes qui sont placés en tête de l'alinéa 2 : " Il est entendu que ... "

Ces termes prouvent, de manière indiscutable, que, abstraction faite de la question des vakoufs, l'unique objet de l'alinéa 2 est de déterminer *toute* la portée de l'alinéa 1er et d'éviter ainsi une incertitude quelconque sur le sort des biens et propriétés indiqués dans l'alinéa 2.

27. Le raisonnement, exposé dans la thèse des héritiers, est fait comme si l'alinéa 2 était rédigé de la façon suivante :

" En ce qui concerne les biens et propriétés dont les Iradés ont ordonné le transfert de la Liste civile à l'Etat, les dits Etats seront subrogés à l'Empire ottoman ".

Dans cette hypothèse, il y aurait peut-être lieu d'examiner si la subrogation devant produire ses effets ordinaires, si, par conséquent, les Etats successeurs n'auraient acquis les " biens-iradés " qu'au cas où, par le susdit transfert, l'Etat ottoman était devenu propriétaire de ces biens, et si, dans l'affirmative, cette acquisition n'aurait pu avoir lieu que moyennant toutes les charges qui, indistinctement, grevaient ces mêmes biens.

Mais grande est la différence entre la formule ci-dessus et la formule qui a été adoptée pour l'alinéa 2.

Dans cette dernière formule, combinée avec l'alinéa 1er, *les signataires du Traité ont eu soin de préciser, dans les termes les plus catégoriques, les effets essentiels de la subrogation telle qu'ils l'ont conçue.*

Ils ont spécifié que *par cette subrogation* les Etats successeurs *acquerront* les biens et propriétés mentionnés dans l'alinéa 2 et que ces Etats les acquerront *gratuitement*, c'est-à-dire sans qu'il leur en coûte rien, sous la seule réserve du respect des vakoufs.

Il n'est donc pas possible d'appliquer à la subrogation incluse dans l'alinéa 2 les principes généraux qui sont applicables en matière de subrogation et *qui ne le sont qu'en tant que les effets et conditions de celle-ci n'ont pas été déterminés dans l'acte portant subrogation.*

Appliquer ces principes généraux dans le cas présentement considéré, serait méconnaître les dispositions *certaines* et *impératives* de l'alinéa 2. Ce serait dénaturer la lettre même de ce texte.

Dès lors, sur la seule constatation que des biens quelconques situés dans les territoires détachés, faisaient partie des biens dont les Iradés de 1908 et 1909 avaient ordonné le transfert de la Liste civile à l'Etat ou des biens qui, au 30 Octobre 1918, étaient administrés par la Liste civile au profit d'un service public, les Etats successeurs sont en droit de les posséder *de plano*.

28. Mais par de nombreuses et longues citations, empruntées aux procès-verbaux des discussions qui ont précédé la signature du Traité de Lausanne, les auteurs des consultations précitées ont entrepris de démontrer que l'esprit, qui a présidé à la rédaction de l'alinéa 2, répond aux vues exprimées dans ces Consultations.

A l'argumentation ainsi énoncée on pourrait valablement objecter que lorsque les termes d'un acte sont suffisamment explicites, comme le sont les termes de cet alinéa 2, il est communément admis que cet acte doit être accepté tel qu'il est, sans qu'il y ait lieu de l'interpréter par la recherche de son esprit, lequel, dans ce cas, se trouve obligatoirement avec la lettre de l'acte.

Sous cette réserve qui est fondamentale et de droit, le soussigné croit cependant devoir soumettre à la *manière* dont les parties, dans l'alinéa 2, est indubitablement arrivé à l'exposé qui a été fait de la lettre de cet alinéa.

29. Cette commune intention des parties doit être recherchée, non dans les procès-verbaux des séances et parfois inexactes, qui ont été émises à propos des articles de la Liste civile, mais dans les propositions et contre-propositions successives qui ont précédé et préparé les dites discussions.

(*a*) Le 6 Janvier 1923, les Délégations alliées proposent la rédaction suivante :

" Les Etats en faveur desquels un territoire a été détaché de la Turquie, acquerront gratuitement tous biens et propriétés situés dans ce territoire et enregistrés au nom de l'Empereur ottoman *et de la Liste civile* ".*

La Délégation turque répond en visant " et de la Liste civile " et demande que les biens acquis au nom de la Liste civile soient exceptés de ceux acquis par les Etats successeurs sur le territoire détaché de la Turquie.

(*b*) Le 8 Mars 1923, la Délégation turque fait la contre-proposition suivante :

" Les Etats en faveur desquels un territoire a été détaché de la Turquie acquerront gratuitement tous biens et propriétés situés dans ce territoire et enregistrés au nom de l'Empereur ottoman.

Les droits de la Liste civile sur les biens et propriétés situés dans lesdits territoires et inscrits en son nom sont maintenus ".†

Cette contre-proposition n'est pas agréée par les Délégations alliées.

(*c*) Le 12 Juin 1923, les experts financiers auxquels la question avait été déférée soumettent le texte suivant :

" Les Etats en faveur desquels, en Asie, un territoire a été détaché de l'Empire ottoman par le présent Traité, acquerront gratuitement tous biens et propriétés de l'Empire ottoman situés dans ce territoire.

" *Il est entendu que les biens et propriétés dont les Iradés du 26 Août 1324 (8 Septembre 1908) et du 30 Avril 1325 (13 Mai 1909) ont ordonné le transfert de la Liste civile à l'Etat, sont compris parmi les biens et propriétés visés par l'alinéa précédent.*

" Les biens et propriétés de la Liste civile non visés par lesdits Iradés seront considérés comme propriété privée ".‡

(*d*) Le 23 Juin 1923, au cours d'une réunion privée, la Délégation turque fait observer " qu'il y a lieu de *distinguer* trois catégories de biens : 1° les biens de l'Empire ottoman que les Etats successeurs acquerront gratuitement, 2° les biens de la Liste civile, transférés à l'Etat par les Iradés de 1908 et 1909, les pays détachés sont en ce qui concerne ces biens, subrogés aux droits de l'Empire ottoman, ces biens contenant d'ailleurs le plus souvent à être administrés par la Liste civile, 3° les biens personnels du Khalife ou des membres de sa famille, qui sont administrés par la Liste civile ".§

La question est renvoyée aux experts.

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* Actes de la Conférence de Lausanne, Série I, Tome III, page 47.
† Actes de la Conférence de Lausanne, Série I, Tome IV, page 45.
‡ Actes de la Conférence de Lausanne, Série I, Tome I, page 249.
§ Actes de la Conférence de Lausanne, Série II, Tome I, pages 397 et 398.

(*e*) Le 29 Juin 1923, les experts apportent un nouveau texte ainsi conçu

" Les Etats en faveur desquels, en Asie, un territoire est détaché de l'Empire ottoman par le présent Traité acquerront gratuitement tous biens et propriétés de l'Empire ottoman situés dans ce territoire

" Il est entendu que les biens et propriétés dont les Iradés du 26 Août 1324 (8 Septembre 1908), du 26 Avril 1325 (2 Mai 1909), ont ordonné le transfert de la Liste civile à l'Etat ainsi que ceux qui, au 30 Octobre 1918, étaient administrés par la Liste civile au profit d'un service public, sont compris parmi les biens et propriétés visés à l'alinéa précédent, lesdits Etats étant subrogés à l'Empire ottoman en ce qui concerne ces biens et propriétés les takouffs constitués sur ces biens devant être respectés

" Les dispositions du présent article ne modifieront pas la nature juridique des biens et propriétés inscrits au nom de la Liste civile ou administrés par elle et non visés à l'alinéa précédent " *

C'est ce texte qui, avec quelques modifications notamment concernant les biens passés de la Liste civile à l'Etat et situés sur les territoires de l'ancien Empire ottoman transférés à la Grèce, est devenu l'article 60 du Traité de Lausanne

30 Il suffit de rapprocher les termes des observations successives de la Délégation turque et les termes du texte traduisant l'*accord final*, pour constater que spécialement en ce qui concerne les biens iradés, *ce ne sont pas les Délégations alliées qui ont adhéré au point de vue de la Délégation turque, mais que c'est celle-ci qui a adhéré au point de vue des Délégations alliées*

En effet sur le point de vue de la Délégation turque avait prévalu l'accord fait aurait consacré la distinction *admise par la Délégation turque*, entre les biens appartenant à l'Empire ottoman et les biens privés

Or tout au contraire les uns et les autres ont été confondus en une même classe puisque les derniers ont été *compris* dans les premiers

Si le point de vue de la Délégation turque avait été adopté la subrogation des Etats successeurs aurait eu exprimée *comme le résultat la Délégation turque* en termes généraux ce qui aurait pu les obliger à examiner ci-dessus au N° 27 et dessous

Or tout au contraire, la subrogation a été prononcée non point en termes généraux mais par la *spécification de ses modalités de réalisation*

En acceptant, *moyennant cette précision*, que les Etats successeurs soient subrogés à l'Empire ottoman les Délégations alliées n'ont fait que maintenir leur point de vue et n'ont accepté rien d'autre que ce qui était impliqué pour les biens visés à l'alinéa 1er puisque ainsi bien l'acquisition de ces biens par les Etats successeurs comportait nécessairement leur subrogation à l'Empire ottoman

On est donc fondé à conclure que l'intention commune des parties, dans l'alinéa 2 a été d'assurer aux Etats successeurs la possession des biens iradés exactement dans les même conditions que pour les biens énoncés à l'alinéa 1er

31 — Cette conclusion semble d'autant plus logique et naturelle que la République turque n'a jamais distingué, en territoire turc, les biens iradés des biens de l'Etat

Comme l'a été exposé, *supra* N° 18 elle a même, par une loi antérieure à la ratification par elle du Traité de Lausanne, proclamé avec une particulière et rare insistance, que tous les biens de la Liste civile, ayant appartenu à Abdul-Hamid II ou à tout autre Souverain de l'Empire ottoman situés sur le territoire turc sont acquis à la nation

Il est à peine concevable que la République turque, ayant agi de la sorte *chez elle* —comme c'était son droit— ait pu avoir *réellement* l'intention de contester aux Etats successeurs le droit d'agir comme elle même à l'égard des biens iradés.

32 Les auteurs des susdites Consultations invoquent encore, à l'appui de la thèse des héritiers certaines clauses des Traités qui à la suite des guerres balkaniques sont intervenus entre l'Empire ottoman et les Puissances balkaniques de même que certaines clauses des Traités qui ont mis fin à la guerre générale

Il convient donc d'examiner les clauses invoquées et de tirer de cet examen le renseignements qu'il comporte

(*a*) Traité de Constantinople du 16/29 Septembre 1913 entre la Turquie et la Bulgarie, art. 13

33 " Les biens particuliers de Sa Majesté Impériale le Sultan ainsi que ceux des membres de la dynastie Impériale seront maintenus et respectés Sa Majesté et les membres de la dynastie Impériale pourront les vendre ou les affermer par des fondé de pouvoirs

* Actes de la Conférence de Lausanne Série II Tome 1, page 257

" Il en sera de même pour les biens du domaine privé qui appartiendraient à l'Etat "

Il est clair que par " Biens particuliers du Sultan ", les rédacteurs du Traité ont entendu les seuls biens qui *appartenaient* effectivement au Sultan et non point les biens transférés de la Liste civile à l'Etat par les Iradés de 1908 et 1909

En effet, à la date du Traité, nul ne contestait en Turquie ni ailleurs, l'existence et la validité de ces Iradés

(*b*) Traité d'Athènes du 1/14 Novembre 1913 entre la Turquie et la Grèce, art. 7

34 " Les biens particuliers de Sa Majesté Impériale le Sultan, ainsi que ceux des membres de la dynastie Impériale, sont maintenus et respectés Sa Majesté Impériale et les membres de la dynastie Impériale pourront les vendre ou les affermer par des fondés de pouvoirs

" Tous les différends ou litiges qui surviendraient dans l'interprétation ou l'application du présent article seront réglés par un arbitrage à La Haye, en vertu d'un compromis à conclure "

Protocole spécial N° 2

" Le Gouvernement Impérial ottoman prétendant que les propriétés du domaine privé de l'Etat situés dans les territoires cédés doivent lui rester et le Gouvernement Royal hellénique n'acceptant pas et prétendant que ces propriétés doivent lui appartenir, les deux parties contractantes ont convenu de soumettre cette question à un tribunal arbitral à La Haye en vertu d'un compromis à conclure

" Le nombre et l'étendue des propriétés en question se trouvent dans la liste jointe à ce protocole "

35 Il importe de préciser ici que *cette liste* désigne, notamment et principalement, les propriétés diverses concessions de mines et entreprises qui ont passé de la Liste civile à l'Etat " et que ces biens* sont *classés* parmi ces " Biens du Domaine privé de l'Etat "

L'intérêt qu'offre ce protocole combiné avec l'article 60 alinéa 3 du Traité de Lausanne est manifeste

1° Le protocole constate que dans les territoires cédés à la Grèce il existe des biens passés de la Liste civile à l'Etat ",

2° Il constate que l'attribution de ces biens est contestée entre les Gouvernements hellénique et ottoman, chacun de ces *Gouvernements* prétendant y avoir droit,

3° Les termes mêmes du protocole montrent que les susdits biens ne sont pas des " biens du Sultan et des membres de la dynastie impériale ",

4° L'article 60 alinéa 3 du Traité de Lausanne se référant aux mêmes biens, constate le litige existant à leur propos entre le Gouvernement hellénique et le *Gouvernement* turc

Ainsi, le Gouvernement turc aux termes de l'art. 60, al. 3, comme naguère le Gouvernement ottoman, aux termes du protocole susdit, a revendiqué *pour lui-même, c'est-à-dire pour l'Etat qu'il représente*, les biens en question

Aucun d'eux ne les a revendiqués pour la Liste civile

Aucun d'eux n'aurait pu le faire.

Pourquoi ?

Pour la raison, simple évidente et cependant encore discutée que lesdits biens *appartenaient* à l'Etat ottoman en vertu des Iradés de 1908 et 1909 et que ces Iradés étaient exécutoires

Voilà qui confirme, s'il en était besoin, les considérations qui ont été exposées supra Nos 23 à 31 et qui le seront dans la partie B de la présente consultation

(*c*) Traité d'Stamboul du 1/14 Mars 1914 entre la Turquie et la Serbie, art. 6

36 Les biens particuliers de Sa Majesté Impériale le Sultan ainsi que ceux des membres de la dynastie Impériale seront maintenus et respectés Sa Majesté Impériale et les membres de la dynastie Impériale pourront les vendre ou les affermer par des fondés de pouvoirs

* Il est hors de doute que ces biens sont compris parmi les biens ayant fait l'objet des Iradés en question

" Tous les différends ou litiges qui surviendraient dans l'interprétation ou l'application des stipulations précédentes seront réglés par un arbitrage à La Haye, en vertu d'un compromis à conclure,

' Quant aux biens du domaine privé de l'Etat ottoman, sis dans les territoires cédés, la propriété en étant réclamée par les deux Gouvernements, les parties contractantes ont convenu de soumettre également cette question à un tribunal arbitral à La Haye en vertu d'un compromis à conclure. Le nombre et l'étendue des propriétés en question se trouvent dans la liste jointe au présent traité "

37 — Ici encore, cette liste renferme l'énumération presque complète des ' biens qui ont passé de la Liste civile à l'Etat ', et ces biens sont *compris* parmi les ' Biens du Domaine privé de l'Etat ottoman '.

Les observations faites ci-dessus (*b*) à l'égard du Traité d'Athènes, étant en majeure partie applicables au Traité de Stamboul, le soussigné se borne à se référer à ces observations.

(*d*) TRAITÉS AYANT MIS FIN À LA GUERRE GÉNÉRALE

38 — Les dispositions invoquées de ces Traités sont conçues en termes sensiblement similaires.

Le Traité général dit : elles portent que les Puissances alliées entrent en possession de biens appartenant aux Souverains et familles souveraines des Etats ennemis, situés dans des territoires détachés de ces Etats et que ceux-ci paieront aux dits Souverains et familles souveraines la valeur des biens ainsi occupés par les Puissances alliées.

Il suffit d'observer que ces dispositions concernent des biens *appartenant* aux Souverains et familles souveraines et dessus désignés.

Or, dans le présent débat, il s'agit de biens qui, en vertu des Iradés de 1908 et 1909 *auraient cessé d'appartenir* au Souverain de Turquie.

En vue d'écarter d'emblée la thèse des hériters, les susdites dispositions n'est évidemment donner effet à une pétition de principe.

39 — De tout ce qui précède, il résulte que les observations (*a*) à (*c*) ci-dessus (supra Nos 23 à 36) ne contiennent aucun élément susceptible d'infirmer l'argumentation développée dans la thèse des héritiers en ce qui touche la validité des Iradés de 1908 et 1909.

B — LA VALIDITÉ DES IRADÉS DE 1908 ET 1909.

40 — Ici, une double observation préalable s'impose.

(*a*) La validité des Iradés de 1908 et 1909 est consacrée par les Traités échangés entre la Turquie et les Puissances balkaniques en 1913-1914.

Cette consécration découle, incontestablement, des textes précités de ces Traités.

Si donc — réserve étant faite ou Decret-loi du 8 Janvier 1920 dont il sera traité plus loin —, *les Iradés étaient valides dans les relations entre les parties aux susdits Traités, pourquoi ne le seraient-ils pas dans les relations entre les parties au Traité de Lausanne?*

Il ne semble guère que l'on puisse valablement prétendre que, valides en 1913-1914, les Iradés ne l'étaient pas en 1923.

(*b*) Mais le Traité de Lausanne a, lui aussi, consacré la validité des Iradés.

Il l'a consacrée par l'alinéa 3 de son article 60, qui se réfère au Traité d'Athènes et *ne implique nécessairement la reconnaissance de la validité des Iradés par la Délégation turque elle-même.*

Il l'a consacrée par l'alinéa 2 de cet article.

Cet alinéa serait-il en ce qui touche les Iradés, tenu pour inexistant si la validité des Iradés pouvait être mise en question?

On ne saurait prétendre que toute clause toujours en vigueur d'un Traité constituant une loi internationale puisse être tenue pour inexistante.

Et c'est pour avoir constaté la validité des Iradés que le Tribunal Arbitral Mixte anglo-turc, dans son jugement du 16 Décembre 1930 précité, formule, à bon droit, le motif suivant :

' Attendu que les droits exercés par le Gouvernement britannique sur les biens en litige ont leur source juridique *dans un acte translatif accompli par l'Etat turc dans la plénitude de sa souveraineté et sanctionné par les dispositions de l'article 60 du Traité de Lausanne* revêtant ainsi la légitimité qui appartient aux actes accomplis selon le droit des gens '.

41 — Mais, indépendamment de leur consécration par les Traités sus-mentionnés, et en les considérant sous l'angle du droit turc lui-même, *les Iradés étaient parfaitement valides.*

C'est ce que le soussigné se propose de démontrer en étudiant chacun des arguments avancés pour établir la prétendue invalidité des Iradés, et en exposant la condition de ceux-ci, leur véritable condition, individuelle ou commune, à l'égard du droit turc.

42 — Abstraction étant faite des détours jadis usités en Turquie, spécialement dans les relations entre le Souverain et les ministres qui, n'étaient que ses créatures, l'Iradé de 1908 était *un acte de réparation*, consenti par Abdul-Hamid II à son peuple.

Comme il a été dit supra, N° 14, les Sultans de Turquie se considéraient comme les maîtres absolus des biens du Domaine public.

Mais, rares sont les Sultans qui, à l'égal du Sultan Abdul-Hamid II, aient disposé de ces biens à leur profit.

Les accaparements et usurpations, pratiqués sous le règne de ce Sultan étaient de notoriété publique, et il en est témoigné, en termes généraux, dans le Fetva* (sentence) du Cheikh ul Islam en date du 7 Rébi-ul-Akhir 1327 (14 Avril 1325) (26 Avril 1909) à la suite duquel le Sultan Abdul-Hamid II a été déposé par décision unanime de l'Assemblée Nationale ottomane, composée des membres du Sénat et de la Chambre des Députés.

Etant *un acte de réparation*, l'Iradé de 1908 ne peut donc être réglé par les dispositions relatives aux cessions de biens, mais par celles qui concernent le " Gassb ", c'est-à-dire l'usurpation du bien d'autrui.

43 — Le transfert ordonné dans l'Iradé de 1908, n'était donc qu'une *restitution*, ne pouvait pas être et n'était pas subordonné à une condition quelconque.

Spécialement : *il n'avait pas pour condition* la rétrocession d'un emprunt de 1 000 000 livres turques destiné au paiement des dettes de la Liste civile.

Pour s'en convaincre, il suffit de lire le Mazbata (Procès-verbal) du Conseil des Ministres du 11-14 Septembre 1908 prenant acte du transfert ordonné.

En effet, il ressort des plus clairement, de ce Mazbata qui, ce n'est pas le Sultan qui a réuni dans le Ministère de la Liste civile qui a la suite d'un Iradé *antérieurement annulé* et tout à fait transféré, a pris l'initiative d'*requérir* l'emprunt ayant pour objet de lui donner les moyens de payer ses dettes.

Il ressort également du dit Mazbata que cette *requête* a été agréée par le Sultan comme par le Conseil des Ministres, mais il en ressort également que l'un ou l'autre n'ont considéré l'emprunt comme la *contre partie* comme la *condition* du transfert susdit, et que le Conseil des Ministres a contracté un *engagement* à l'égard de cet emprunt.

En fait, les dettes de la Liste civile ont fait l'objet d'un examen minutieux, effectué par les Services compétents de l'Etat, et, pour le paiement de leur montant réel, ainsi déterminé, des dispositions ont été prises dans la loi de finances de l'année 1325 (1909-1910) et dans les lois de finances des années ultérieures.

44 — Aucun titre d'Iradé de 1909 n'était une mesure de confiscation.

Il ne l'était pas, si l'on considère que les biens qui en faisaient l'objet avaient été légitimement acquis.

Il ne l'était pas, si l'on considère que ces biens avaient été illégitimement acquis.

Dans le premier cas, le Sultan Mehmed Réchad V, successeur d'Abdul-Hamid II, avait, pour la raison indiquée *supra*, N° 16, le droit de s'approprier lesdits biens ou de s'en disposer en faveur de l'Etat.

Dans le deuxième cas, le Sultan Mehmed Réchad V avait le devoir de les restituer à la nation, complétant ainsi l'acte partiel de réparation, qu'avait accompli son prédécesseur par l'Iradé de 1908.

Dans les deux cas, c'est le Sultan Abdul-Hamid II qui avait fait acte de confiscation en faisant inscrire à son propre nom des biens qui devaient être dévolus à son successeur ou maintenus à la nation.

Dans les deux cas, l'Iradé de 1909 était un acte de ' déconfiscation '.

Pas plus que la loi de la Grande Assemblée Nationale de Turquie du 3 Mars 1924, déjà mentionnée *supra* N° 18, il ne constituait donc un acte de confiscation.

45 — L'Iradé de 1909, nonobstant le généralité de ses termes, s'appliquait à des biens tous autres que ceux dont le transfert avait été ordonné par l'Iradé de 1908.

La différence entre les objets respectifs de ces Iradés ressortira de l'exposé qui sera fait *infra* N° 47.

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* V. Nouveau Duster ou Recueil des Lois et Décrets de l'Empire ottoman, Tome I, page 166.
* V. Nouveau Dustour, Tome I, pages 76 et 77.

Mais, dès à présent et quoi qu'on en ait dit, le soussigné croit pouvoir affirmer que cette différence apparaît clairement à la lecture des listes que la Délégation turque a officiellement communiquées à la Conférence de Lausanne et qui indiquent les biens transférés en vertu de chacun des Iradés.

Les termes généraux de l'Iradé de 1909 ne peuvent donc être invoqués pour prétendre que l'Iradé de 1908 n'avait pas et n'avait pas eu d'existence légale.

46.—L'Irade de 1908 ni l'Iradé de 1909 n'ont été soumis aux délibérations des Chambres.

Ils ne l'ont pas été, parce que le vote des Chambres n'était pas nécessaire pour des actes qui, comme lesdits Iradés, comportaient l'abandon de biens au profit de l'Etat.

Mais, ils n'en faisaient pas moins partie de la législation ottomane.

Ils en faisaient partie tout comme bien d'autres textes, antérieurs ou postérieurs à l'année 1908, qui n'avaient pas été déférés aux délibérations des Chambres.

Ils en faisaient partie en vertu de la loi de finances, qui, chaque année, portait en annexe un Tableau C, dans lequel étaient désignés les textes ayant force de loi pour la perception des recettes de l'Etat.

Dans ce Tableau C, qui était prévu dans la loi de finances et faisait corps avec elle, figuraient chaque année *les documents basés sur les Iradés et énonçant respectivement l'assiette des transferts ordonnés par les Iradés.*

Les inscriptions ainsi faites au Tableau C constituaient des *actes de puissance publique* à caractère législatif, contre lesquels *il n'existait aucune voie de recours devant une juridiction quelconque.*

Le recours contre ces inscriptions était impossible, autant qu'il l'est contre la présente loi du 3 Mars 1924.

47.—Les Iradés de 1908 et 1909 entrèrent en vigueur dès leur promulgation.

De cette exécution effective de la teneur des Iradés les preuves abondent.

En voici quelques-unes :

(*a*) L'ouverture de la première session du Parlement ottoman ayant eu lieu le 17 Décembre 1908, le Gouvernement alors en fonctions lui soumit peu après un projet de budget, dans lequel étaient prévues, en un chapitre spécial de la Partie Recettes, les Ltq 404 347 représentant, pour l'année en cours, le revenu des biens dont le transfert avait été ordonné par l'Iradé de 1908*.

Ce projet ayant été soumis à la Commission financière de la Chambre des Députés, cette Commission ajouta audit chapitre un *deuxième chapitre* portant en recette *les Ltq 419 886 représentant également pour l'année en cours, le revenu des biens dont le transfert avait été ordonné par l'Irade de 1909**.

(*b*) Le budget du Ministère des Finances afférent à l'année 1325 (1909-1910) énonçait, dans son chapitre 20, au titre des traitements et frais des fonctionnaires chargés de la gestion de la plupart des propriétés transférées de la Liste civile et autres, un crédit de Ltq 145 438 et 81 piastres.

(*c*) Le budget de même année du Ministère des Forêts et Mines portait, dans son chapitre 8, article 6, un crédit de Ltq 3 994 et 44 piastres pour les allocations des fonctionnaires qui étaient employés aux forêts transférées de la Liste civile.

(*d*) Au budget des recettes de la dite année, étaient portés en recettes, en chapitres distincts, les montants ci-dessus désignés (*a*).

(*e*) L'article 26 de la loi de finances de l'année 1326 (1910-1911) portant notamment que le Gouvernement était autorisé à installer des immigrés et des tribus nomades dans les fermes transférées de l'ex-Sultan, ou à concéder ces fermes aux cultivateurs, ou à les donner en location à des sociétés ottomanes en vue de les mettre en valeur et de les vendre ultérieurement en parcelles, à des sujets ottomans.

(*f*) Le budget du Ministère des Finances de l'année 1326 portait, en son chapitre 8, art. 17, un crédit de Ltq 20 799 et 60 piastres pour les travaux des quais de Kadi-Keuï qui, avant l'Irade de 1909, faisaient partie du Domaine impérial.

(*g*) Le même budget portait, en son chapitre 12, art. 16, un crédit de Ltq 20 000 pour distribuer des semences aux cultivateurs résidant dans des propriétés transférées de la Liste Civile.

(*h*) Le budget des recettes de la dite année portait, au chapitre 4 de sa Section V, une prévision de recettes de Ltq 62 513 provenant des bateaux naviguant sur l'Euphrate et le Tigre, lesquels bateaux avaient été transférés de la Liste civile à l'Etat.

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* V. Rapport général de la Commission financière de la Chambre des Députés, Partie Recettes, Session 1324-1325 (1908-1909), page 102.

(*i*) L'article 21 de la loi de finances de l'année 1327 (1911-1912) modifiant les termes de l'article 26 précité de la loi de finances de l'année 1326, précisait notamment que, jusqu'au paiement intégral des sommes dues par les cultivateurs, auxquels avaient été concédés des terrains transférés de la Liste civile, les soldes dûs seraient régis par les lois relatives aux nantissements et aux ventes à réméré*.

(*j*) Le décret-loi du 8 Janvier 1920 lui-même, dont l'autorité est cependant nulle comme il sera établi ci-après, constatait, en son article 1er, l'existence juridique des Iradés. Il constatait, en outre, en ce même article et dans les articles 2 et 3, la pleine exécution des dispositions des Iradés.

Ainsi, il est démontré que l'Etat ottoman a fait effectivement *acte de propriétaire* des biens qui lui avaient été transférés par les Iradés de 1908 et 1909.

48.—La loi ottomane elle-même, commandant ou impliquant, par ses dispositions multiples et réitérées, l'appropriation par l'Etat des biens ainsi transférés, ne peut pas être tenue en échec par le fait que les rectifications requises n'ont pas toujours été effectuées dans les registres cadastraux.

Telle étant la loi, ces rectifications peuvent et *peuvent* être faites à tout moment.

Et, le simple retard dans leur exécution ne saurait évidemment être invoqué pour prétendre que la loi est inopérante.

L'article 1737 du Medjelle (Code civil ottoman en vigueur jusqu'en 1926) et les dispositions des autres Codes, dans le même sens, sont complètement inopérantes en ce présent litige, car il s'agit de l'application *automatique de la force de la loi*, comme dans le cas de succession ou hérédité de biens d'un mort dont les successibles légaux ne remplissent pas les obligations prévues au Code des Terres ou autres, d'acquisitions immobilières ou autres.

49.—Le Décret-loi du 8 Janvier 1920, promulgué par le Sultan Mehmed Vahideddine VI, n'eut le moindre caractère juridique et ne pouvait légalement pour les raisons suivantes :

(*a*) Le décret-loi était contraire à la Constitution ottomane.

En effet, l'article 36 de cette Constitution dont s'est prévalu le Sultan pour promulguer son décret-loi, stipule ce qui suit :

"Dans le temps où l'Assemblée Générale (Sénat et Chambre des Députés) n'est pas réunie, *s'il surgit un accident présentant le premier l'Etat d'un danger public ou de nature à compromettre la sécurité publique*, dans les cas où les circonstances ne permettent pas de convoquer en toute hâte l'Assemblée pour obtenir sa haute sanction, et dont les décisions qui, la condition de n'être pas contraires à la Constitution, seront prises par le Conseil des Ministres, auront par trade impérial provisoirement force de loi jusqu'à la décision qui sera prise à ce sujet par la Chambre des Députés.

"Il est nécessaire que les susdites décisions soient communiquées à la Chambre des Députés lors de sa première réunion." †

Ainsi, les lois provisoires (décrets-lois) ne pouvaient être promulguées que "s'il surgissait une nécessité pressante de prémunir l'Etat d'un danger ou de sauvegarder la sécurité publique".

Telle était la condition *première* et fondamentale de la légalité des décrets-lois.

Les décrets-lois promulgués, sans qu'il eût "surgi une nécessité pressante de prémunir l'Etat d'un danger ou de sauvegarder la sécurité publique", étaient donc anti-constitutionnels.

Or, il ne viendra à l'esprit de personne que le décret-loi du 8 Janvier 1920, ordonnant le retour à la Liste civile des biens et propriétés qui avaient été transférés et abandonnés à l'Etat par les Iradés de 1908 et 1909, satisfaisait à la condition impérativement stipulée à l'art. 36 sus-mentionné.

Il est vrai que certains autres décrets-lois ne satisfaisaient pas non plus à cette condition.

Mais, comme le dit en substance l'art. 15 du Médjellé, "Ce qui est contraire à la loi ne peut servir de précédent".

Il appartient à tous intéressés d'excepter de l'inconstitutionnalité évidente du décret-loi du 8 Janvier 1920 et de son caractère purement arbitraire.

(*b*) Le décret-loi n'a été publié ni dans le territoire soumis à la juridiction du Gouvernement de la Grande Assemblée Nationale de Turquie ni dans les territoires occupés par les Puissances alliées.

Or, la publication des lois dans les différentes parties de l'Empire ottoman était impérativement prescrite dans la loi du 18 Mai 1327 (1911) ‡, article 3.

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* V. Nouveau Dusteur, Tomes I, II et III, *passim*.

† Le texte ci-dessus est la traduction presque entièrement littérale du texte turc.

‡ V. Nouveau Dusteur, Tome III, pages 417 et 418.

Et le décret-loi lui-même dispose, en son article 5, qu'il entrera en vigueur *à partir de la date de sa publication*

(*c*) Le Gouvernement de la Grande Assemblée Nationale de Turquie n'a, à aucun moment, tenu pour valable le décret-loi du 8 Janvier 1920.

Il l'a même *radicalement* annulé par la loi du 3 Mars 1924

(*d*) Les Hauts-Commissaires de Grande-Bretagne, de France et d'Italie, sous la protection desquels le Sultan Mehmed Vahd-ed-Dine VI exerçait une souveraineté nominale, presque confinée aux limites de son palais, ont formellement protesté contre le décret-loi

(*e*) Même à défaut des constatations ci-dessus, le décret-loi du 8 Janvier 1920 ne pouvait avoir aucun effet dans les territoires occupés par les armées alliées

En effet il est hors de toute contestation qu'en territoire occupé la souveraineté de l'Etat dont relevait ce territoire est *suspendue*, et qu'à sa souveraineté devenue théorique se substitue *la souveraineté de fait* de l'Etat occupant

En raison de cette souveraineté de fait, l'appropriation, en territoire occupé de toute nouvelle législation de l'Etat souverain en droit est subordonnée au consentement exprès de l'Etat occupant, qui peut même modifier selon ses exigences la législation déjà en vigueur au moment de l'occupation

A ces principes qui sont de droit commun international, l'article 9 du Protocole XII du Traité de Lausanne invoqué dans la thèse des héritiers, ne saurait porter aucun préjudice, constituant dans un cas déterminé l'application de ces mêmes principes.

CONCLUSION.

Pour les motifs exposés dans la présente Consultation le soussigné estime que les réclamations formulées par les héritiers du Sultan Abdul-Hamid II quant aux biens et propriétés visés à l'article 60 alinéa 2 du Traité de Lausanne ne sont pas fondées en droit

(Signé) B. HALEDJIAN,

Docteur en Droit de la Faculté de Paris

Ancien ministre, avocat à Constantinople
avocat-conseil du Conseil international de la Dette Publique Ottomane
Député de Constantinople
Membre et Président de la Commission financière de la Chambre des Députés
Ministre ottoman du Commerce et des Travaux publics.
Délégué ottoman à la Commission financière des Affaires Balkaniques
Membre de la Cour Permanente d'Arbitrage de La Haye

ANNEXE I

(Traduction)

Procès-Verbal du Conseil des Ministres en date du 1er Septembre 1324 (13 Septembre 1908)*

En vue d'aider à l'établissement de l'équilibre entre les recettes et les dépenses de l'Etat et de faciliter la conclusion de l'emprunt projeté, un Iradé impérial *ayant été* promulgué pour le transfert et l'abandon au Ministère des Finances de terres et propriétés impériales (dont liste jointe), administrées par le Ministère de la Liste civile et rapportant un revenu annuel plus de 400.000 livres turques, et cet Iradé impérial *ayant été* transmis au Ministère de la Liste civile ce dernier, dans son rapport à Sa Majesté Impériale, a soumis les observations ci-après

Une partie des propriétés impériales sont des propriétés *ab antiquo*

Un grand nombre des propriétés impériales ont été enregistrées au nom de Sa Majesté Impériale moyennant paiement de leur contre-valeur au Ministère des Finances ou à leurs propriétaires originaires dans le haut dessein d'empêcher leur appropriation par des étrangers et de faire prospérer le pays

pour la mise en valeur de ces propriétés il a été dépensé des sommes plus élevées que leur [illegible] d'achat et des établissements de bienfaisance et des écoles y ont été créés

du chef des traitements et autres, afférents à la Liste civile et aux propriétés impériales la [illegible] civile a des dettes qui s'élèvent à 1 150 000 livres turques

[illegible] sont des dettes échues [illegible] part d'autres ajournées leur paiement nécessiterait au moins 850 000 livres turques

Il est impossible à la Liste civile de se procurer [illegible] cette somme

les propriétés [illegible] données en nantissement au Ministère des Finances apportent un revenu annuel de plus de 400 000 livres turques

[illegible] Les sommes [illegible] Liste civile perçoit actuellement 1 sur 10 tandis que [illegible] Les sommes [illegible] Liste civile perçoit actuellement 1 sur 10 tandis que la Société [illegible] du Ministère des Finances et [illegible] sera perçu à raison de 1 sur 8

[illegible] du Ministère des Finances un produit supplémentaire de 40 à 50 000 livres turques

En conséquence le Ministère de la Liste civile a *prié* Sa Majesté Impériale de majorer de 1 000 000 livres turques [illegible] l'emprunt projeté par [illegible] cette somme [illegible] 1 000 000 livres turques [illegible] la Liste civile [illegible] Porte avant de remettre cette somme [illegible] [illegible] La [illegible] afférent

Cette *requête* [illegible] par Sa Majesté Impériale [illegible] connaissance du [illegible] Il [illegible] Secrétariat du Sultan en date du 15 Chaban 1326 (25 Août 1324) [illegible] 1908) [illegible] la Liste civile [illegible]

[illegible] Ministère des Finances [illegible] propriétés [illegible] et remises par la [illegible] [illegible] revenu annuel [illegible] 400 000 livres turques constituant un nouveau [illegible] [illegible] Sa Majesté Impériale a toutes actions pour l'annexation [illegible] Finances de l'Etat

En raison de cet abandon, Sa Majesté Impériale s'est acquis l'éternelle et même gratitude de son peuple

Nous réitérons à cette occasion nos prières pour Sa Majesté Impériale et La prions d'agréer nos hommages et notre profonde reconnaissance

Pour ce qui concerne la somme de 1.000 000 livres turques dont la Liste civile a besoin pour régler ses dettes, eu égard à ce que le revenu annuel desdites propriétés dépasse 400 000 livres turques, *il sera possible* de conclure un emprunt de 1 000.000 livres turques en prélevant sur ce montant (de 400 000 livres turques) une somme de 50.000 livres turques pour le service de l'intérêt et de l'amortissement de cet emprunt

Il a été délibéré de charger le Ministère des Finances de s'*aboucher* avec la Banque Ottomane pour le prêt de 1 000 000 livres turques†

* V. Nouveau Dustour Tome I, pages 76 et 77

† Ce Procès-Verbal a été approuvé par Iradé de même date

ANNEXE II

(Traduction)

Fetva du Cheikh ul-Islam en date du 14 Avril 1325 (26 Avril 1909)*

Question

Si Zeid† Imam (Commandeur) des musulmans a supprimé dans les livres du Chéri (loi musulmane) diverses dispositions importantes

S'il a interdit et brûlé ces livres

S'il a *dilapidé le Beit ul-Mal (Domaine public) et l'a possédé contrairement au Chéri*

S'il a tué emprisonné et exilé ses sujets sans motif légal

S'il s'est rendu coupable d'autres exactions

Si après avoir juré de revenir à bien il se parjure et continue à être la cause de grands troubles de nature à porter gravement atteinte aux biens des musulmans et aux intérêts de l'Islam, s'il provoque des luttes

Si ces agissements musulmans trompant le [illegible] font parvenir, des différentes parties de l'Etat des messages pour lesquels ils considèrent comme échu

Si par tout ce que Zeid a fait sa conduite actuelle et sa déchéance peut être une cause de bien

La déposition par laquelle les Ierpah-i-Nahi-i-Amr [illegible] Ils sont Quatre (personnes ayant pouvoir de jurisdiction auxquels il faut préférer l'une ou l'autre des solutions suivantes proposer à Zeid de revenir à sa qualité d'Imam et de Sultan et le déposer est-elle valable obligatoirement?

* Voir au Dossier Tome I page 166

† Zeid signifie Premier et désigne le Sultan Abdul Hamid II

Réponse

Elle l'est*

Fait par l'humble Es-Seid Mehmed Zia-ed Dine Qu'Allah lui soit miséricordieux

* En Turquie la déposition des Sultans était généralement précédée d'un Fetva du Cheikh ul Islam.

ANNEXE III

(Traduction)

Cararnamé (décision) de l'Assemblée Générale Nationale en date du 14 Avril 1325 (26 Avril 1909)*

Le mardi 7 Rébi-ul-Akhir de l'année 1327 —14 Avril 1325 (26 Avril 1909), à 8 heures et demie (à la turque) lecture ayant été faite par devant le Sénat et la Chambre des Députés, réunis en Assemblée Générale Nationale, du Fetva du Chéri signé par le Cheikh ul Islam Mehmed Zia ed Dine Effendi et des deux alternatives prévues dans ce Fetva la déposition ayant été choisie par une décision motivée prise à l'unanimité le Sultan Abdul Hamid II a été déposé du Khalifat de l'Islam et du Sultanat ottoman et, l'héritier légitime S. A. I. Mehmed Réchad Effendi, a été élevé à la dignité de Khalife et de Sultan sous le nom de S. M. I. le Sultan Mehmed V

* Voir Nouveau Dossier Tome I page 167

ANNEXE IV

(Traduction)

Rapport général de la Commission des finances de la Chambre des Députés Session 1324-1325 (Décembre 1908-Août 1909)

Partie Recettes

Page 10

Evaluations de la commission	Evaluations du Gouvernement	Nature des Recettes	Art	Chap	Sect
[illegible]	[illegible]				
404 347	404 347	Produit du Domaine public antérieurement transféré de la Liste civile	1	10	»
215 886		Produit du Domaine public antérieurement transféré de la Liste civile	2	11	»

ANNEXE V

(Traduction)

Loi provisoire (secret-loi) du 8 Janvier 1330 (1912)

Article 1.—Les propriétés, les terres les fermes les établissements et les concessions qui ont été transmis par registre par la Liste civile au Ministère des Finances *en vertu* des Irades impériales datées du 1er Septembre 1324 1908 et du 21 Avril 1325 (1909) ont été remis et restitués à la Liste civile à l'exception de ceux qui ont été *venaus transférés* et *distribués* aux immigrés par le Ministre des Finances. Le droit de recourir aux tribunaux [illegible] prétendent y avoir des droits est réservé

Article 2.—Les revenus des propriétés et établissements et autres mentionnés ci-haut perçus jusqu'à présent par le Ministère des Finances *seront pas rendus*. Aussi les revenus et les dépenses qui seront constatés jusqu'à la fin de l'année financière 1335 (1er Mars 1920) *appartiendront* (et incomberont) au Ministère de Finance

Article 3.—Les dispositions des Conventions faites avec [illegible] Ministère des Finances concernant les propriétés terres fermes et autres *sont en vigueur et valables* jusqu'à expiration de leurs délais Cependant après l'expiration de l'année financière [illegible] les revenus et les dépenses provenant de l'application de ces conventions appartiendront et incomberont à la Liste civile

Article 4.—Le Ministère des Finances est chargé de l'application du présent Cararnamé

Article 5.—Les dispositions du présent Cararnamé sont en vigueur à partir de la date de sa publication

Printed for the use of the Foreign Office.

CONFIDENTIAL.

Further Correspondence respecting Turkey.

PART XXXII -JULY TO DECEMBER 1936.

E 4038/28/44] No 1

Preliminary Agreement for the Installation by Messrs H A Brassert & Co (Limited) a Firm of Consulting Engineers of an Iron and Steel Plant at Karabuk in Turkey and for the Establishment of a Special Organisation (Comptoir) for the Sale of Turkish Minerals and other Products to cover the Cost of this Plant.- (Communicated by the Export Credits Guarantee Department, June 30, 1936.)

Accord financier conclu entre la Sumer Bank Ankara, et Messrs H A Brassert & Co Ltd., Londres, au sujet de l'installation d'une usine complète, en Turquie, pour la fabrication de produits de fer et d'acier

1 LA Sumer Bank désire établir en Turquie une usine complète pour la fabrication du fer et de l'acier, y compris les ateliers secondaires

2 La capacité de l'usine susvisée serait de 150,000 (cent cinquante mille) tonnes de produits de fer et d'acier par an, suivant le programme de production annuelle.

3 Le coût total de l'usine métallurgique elle-même et des ateliers secondaires serait de £2,500,000 (deux millions cinq cent mille livres sterling) dont environ £2 000 000 (deux millions de livres sterling) (intérêts exclus) pour les installations et les matériaux exportés hors de Grande-Bretagne, plus les frais et rémunérations de surveillance en Turquie Cette somme est estimée devoir suffir à couvrir le coût de l'usine située sur un emplacement normal, y compris les bâtiments nécessaires, les travaux de construction et les frais de transport jusqu'au chantier à Karabuk

4 Le prix contractuel définitif de l'usine complète fera l'objet de pourparlers ultérieurs, après examen détaillé des projets élaborés de Brassert & Co Ltd., entre celle ci et la Sumer Bank et en considération des besoins de la banque, la programme de production, des conditions de l'emplacement, des frais de transport sur le territoire turc, des machines, des installations et des matériaux le construction, et en général de toutes les conditions locales analogues capables l'influencer ou d'affecter la fixation du prix définitif du contrat

5 Sous réserve de la signature du contrat principal (contrat de livraison) et du contrat supplémentaire touchant la création du comptoir dont il est question plus bas, H A Brassert & Co Ltd., Londres, sont disposés à accorder les crédits nécessaires à la Sumer Bank par le canal du Ministère des Finances de la République de Turquie dans les conditions indiquées ci après

6 La période de construction de l'usine métallurgique susvisée ne dépassera pas deux ans et six mois à partir de la date du contrat principal, à condition qu'un délai attribuable à une force majeure ou à des éléments hors du contrôle de H A Brassert & Co Ltd., n'intervienne

7 Le prix total estimé à £2 500,000 (deux millions cinq cent mille livres sterling) comprend également les travaux de construction et les diverses dépenses

sur le territoire turc, la Sumer Bank et H A Brassert & Co, Ltd, sont d'accord pour reconnaître que le contrat principal ne comprendra que les fournitures de provenance britannique, machines installations, matériaux services des ingénieurs, frais et rémunération de surveillance des travaux de construction et frais de rémunération de contrôle des travaux en chantier, le tout étant couvert par l'expression "partie britannique des travaux"

8 La Sümer Bank a la faculté de faire procéder sur les lieux de fabrication, comme elle l'entend à un contrôle par les spécialistes à être désignés par elle de la fabrication des machines et matériaux Toutefois, ce contrôle ne signifiera aucunement l'acceptation définitive de ces machines et matériaux celle-ci devant être effectuée suivant les stipulations spéciales à prévoir dans le contrat principal

9 La Sumer Bank prend à sa charge tous les travaux et frais locaux par contre, H A Brassert & Co Ltd s'engagent à fournir les plans et spécifications ainsi que les surveillants nécessaires pour assurer la bonne exécution des travaux du chantier Ces engagements figureront en détail dans le contrat principal

10 Le payement pour la partie britannique des travaux sera effectué à Londres en livres sterling à la fin de chaque sixième mois à partir de la date de l'émission de bons relatifs aux comptes égaux majorés des intérêts dus Ces bons portant mention seront établis en sterling et émis par le Trésor turc contre réception à Ankara des connaissements relatifs à chaque livraison Des bons seront également émis pour les montants respectifs des certificats de travaux effectués, constatation de ces certificats par la Sumer Bank La dernière tranche de ces paiements sera réglée le 31 (trente et un) décembre 1944 (mille neuf cent quarante-quatre) Il sera établi un crédit accordant deux ans à partir du premier janvier 1937 (mille neuf cent trente sept)

11 Les bons porteront intérêt au taux de 6 pour cent par an

12 Au moment de la signature du contrat principal et comme condition préalable à toute signature du contrat supplémentaire sera établi un accord relatif à la création à Londres d'une organisation anglo turque pour la vente des produits turcs Il entrera dans le cadre de cette organisation que les produits turcs autres que ceux exportés en Angleterre par la banque anglo turque aussi bien que les produits turcs autres exportés de Turquie par le contractant suppléant turc spécifié, de plus que tout le revenu provenant de ces ventes sera affecté en premier lieu au service du contrat principal et sera versé à une banque londonienne à fixer d'un commun accord Les sommes versées de la sorte à la banque de Londres seront utilisées au moment venu pour le rachat des bons venant à échéance aux termes du contrat principal Au cas où, à un moment donné ces sommes ne suffiraient pas pour le rachat des bons échus le Gouvernement turc prélèvera sur ses autres ressources le montant en sterling nécessaire pour compléter ce rachat Avant la signature du contrat, H A Brassert & Co, Ltd, devront approuver en général le programme détaillé de constitution et de fonctionnement de l'organisation de vente envisagée ils devront également se convaincre que les revenus provenant des ventes susindiquées et déposés dans une banque anglaise ainsi qu'il est prévu suffiront au rachat de tous les bons payables aux termes du contrat principal

13 H A Brassert & Co, Ltd, auront le droit de conclure tous sous-contrats qui leur sembleront utiles Mais ils demeureront responsables de l'exécution du contrat principal

14 Les conditions et modalités du contrat principal qui englobera les conditions du présent accord financier ainsi que les conditions et modalités du contrat supplémentaire susindiqué, seront confirmées par décret du Gouvernement turc

15 Le présent accord financier entrera en vigueur après sa ratification par le Gouvernement turc

Fait à Ankara en double exemplaire le 23 (vingt trois) juin 1936 (mil neuf cent trente six)

Letter from the Sumer Bank to Messrs H A Brassert and Co (Limited) (undated, but handed to the Firm's Representative just before leaving Angora subsequent to the Signing of the Agreement)

At the moment of signing the financial agreement between your firm and ourselves we think it as well to set out some precise points of the stipulations

1 Material and machinery to be wholly of British origin

2 Local expenses mentioned in article 9 as due to Sumer Bank are identical with those indicated in article 3. In other words, the sum of £2 million will be used for the purchase of machinery and material imported from Great Britain for the remuneration of the British engineers, whilst the balance of £500,000 will be an advance to the Sumer Bank for the building of the factory in question according with the undertaking of your firm

3 The Treasury bonds mentioned in article 10 will be issued during the first six months of the work and they will be in the form of fifteen notes of equal amount plus interest In the second six months these issue will be in fourteen notes and so on

4 The bonds relative to the work done in the fifth month and the last six months will be eleven notes (bills) of equal amount

5 It is understood that the signature by the Turk of the financial agreement in no way binds your firm before the definitive legal signification of the contract in virtue of article 4 of the agreement

Please confirm these points

N B This letter was duly acknowledged and confirmed, but the firm are taking steps to secure an alteration of the wording so that there may be no misunderstanding regarding the reference to an "advance" in paragraph 2. It was not in fact an advance at all from the firm but from the Turkish Treasury

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E 4178 28 44 No 2

United Kingdom Delegation Montreux to Foreign Office (Received July 6)

(No 36)

THE secretary of the United Kingdom delegation to the Montreux Conference presents his compliments to the Under Secretary of State for Foreign Affairs and has the honour to enclose the revised version of the Turkish draft convention submitted by the United Kingdom delegation

Montreux, July 5 1936

Enclosure

C M, 5

Montreux, le 4 juillet 1936

CONFÉRENCE DE MONTREUX

Nouvelle Version établie le 4 Juillet 1936 par la Délégation du Royaume-Uni du Projet de Convention turc soumis le 22 Juin

Préambule

Sa Majesté le Roi d'Angleterre, de France, de la République française, de Sa Majesté le Roi de Grande Bretagne, d'Irlande et des Dominions [illegible] Sa Majesté le Roi [illegible] Sa Majesté le Roi d'Italie, Sa Majesté le Roi [illegible] Sa Majesté le Roi [illegible] Sa Majesté le Président [illegible] Sa Majesté le Roi de Roumanie, Sa Majesté le Roi de Yougoslavie

Animés du désir de régler le passage et la navigation dans le détroit des Dardanelles, la mer de Marmara et le Bosphore, compris sous la dénomination générale de « Détroits », de manière à sauvegarder, dans le cadre de la sécurité de la Turquie, le principe consacré par l'article 23 du traité de paix signé à Lausanne, le 24 juillet 1923,

Ont résolu de substituer la présente convention à la convention signée à Lausanne le 24 juillet 1923 et ont nommé, à cet effet, pour leurs plénipotentiaires respectifs

Lesquels, après avoir échangé leurs pleins pouvoirs reconnus en bonne et due forme, sont convenus des dispositions suivantes

Article 1er

Les hautes parties contractantes reconnaissent et affirment le principe de la liberté de transit et de navigation par mer dans les Détroits.

Ledit transit et ladite navigation seront désormais réglés par les dispositions de la présente convention.

Section I. — *Navires de commerce*

Article 2

En temps [illegible] s'appliquent à tous les navires [illegible] présente convention.

Article 3

En temps de paix, [illegible] général le libre passage, de jour et de nuit, pour le transit et la navigation des Détroits [illegible] formalités, sous réserve des dispositions [illegible] présente convention. [illegible] prévus par les articles [illegible] sont [illegible] pour le transit des Détroits et [illegible] entrant dans un port situé sur les Détroits.

Afin de faciliter [illegible] pilotage qui pourrait être prélevé [illegible] Annexe I, les navires de commerce qui franchissent les Détroits feront connaître aux postes indiqués par le Gouvernement turc, leur nom, leur nationalité, leur tonnage, leur destination et leur provenance.

Article 4

Les navires qui ont à bord des cas de peste, de choléra, de fièvre jaune [illegible] n'y aura débarqué [illegible] jours après que les navires qui ont quitté un port contaminé depuis moins de cinq fois 24 heures, s'arrêteront à un poste sanitaire près de l'entrée des Détroits pour y débarquer les gardes sanitaires que les autorités turques pourront désigner. Il ne sera pas perçu [illegible] à ce personnel, lequel sera débarqué [illegible] station sanitaire à la sortie des Détroits.

[illegible] prévu par le [illegible] précédent du présent article [illegible] dans les Détroits par mauvais temps, s'arrêtera à un [illegible] en cas de refus de s'arrêter ou de se soumettre au contrôle sanitaire [illegible] par les autorités turques, non conformément aux [illegible] ci-dessus, [illegible] les navires possédant [illegible] patente nette [illegible] jour et de nuit, avec [illegible] plus de cinq [illegible] à la fois. Les navires visités ne seront tenus de s'arrêter à aucun autre point des Détroits au cours de leur passage.

Article 5

En temps de guerre, la Turquie restant neutre, les navires de commerce jouiront de la liberté de transit et de navigation dans les Détroits sous réserve des dispositions des articles 3 et 4.

Le pilotage reste facultatif.

Article 6.

En temps de guerre, la Turquie étant belligérante, les navires de commerce neutres jouiront de la liberté de transit et de navigation à condition que ces navires n'assistent en aucune façon l'ennemi.

Tous les navires circuleront de jour dans les Détroits et le passage devra s'effectuer par la route qui sera, sur demande, indiquée par les autorités turques.

Section II. — *Bâtiments de Guerre et Navires auxiliaires*

Article 7

Aux fins de la présente convention, la définition applicable aux bâtiments auxiliaires est celle qui figure dans la Partie I, article 1 B 6 du Traité de Londres du 25 mars 1936, sous réserve de l'exception prévue à l'article 8 ci-dessous.

Article 8

[illegible] auxiliaires ne s'applique pas aux bâtiments auxiliaires de la marine marchande spécifiquement conçus pour le transport des [illegible] qui les arment ou les autres stipulations [illegible] à ces bâtiments navals.

Article 9

En temps de paix, les bâtiments de guerre et les navires auxiliaires, [illegible] sous pavillon [illegible] des Puissances riveraines de la mer Noire ou à les Puissances non riveraines de la mer Noire ou à leurs [illegible], sans aucune limite ou charge [illegible], pourront, de la liberté le passage dans les Détroits, pourvu qu'ils circulent dans les Détroits de jour et dans les conditions ci-après spécifiées.

Article 10.

Pour le passage dans les Détroits des navires de guerre et des navires auxiliaires, un préavis de 15 jours sera donné au Gouvernement turc par la voie diplomatique. Dans ce préavis devront être indiqués la destination, le nom, le type et le nombre des navires.

Lors du passage, le commandant de la force navale communiquera, sans avoir à s'arrêter, à une station de signaux à l'entrée des Dardanelles ou du Bosphore, la composition exacte de la force se trouvant sous ses ordres ainsi que toutes autres indications complémentaires relatifs à cette force.

Article 11

Le tonnage global maximum de toutes les forces navales étrangères pouvant se trouver au cours d'un transit dans les Détroits à un moment quelconque ne devra pas dépasser la moitié du tonnage global de la flotte turque en service effectif au moment du passage, ou 15,000 tonnes si le tonnage de la flotte turque en service effectif n'atteint pas ce dernier chiffre.

Ne seront pas compris dans ce tonnage les navires appartenant à des Puissances riveraines ou non riveraines de la mer Noire qui, sans être en transit régulier dans [illegible], avec l'autorisation de la Turquie, à un port situé des Détroits.

Article 12

Les bâtiments de guerre en transit dans les Détroits ne pourront en aucun cas, utiliser les aéronefs [illegible] se trouvant éventuellement porteurs.

Article 13

Les bâtiments de guerre en transit dans les Détroits ne devront, sauf en cas d'avarie ou de force majeure, y séjourner au delà du temps qui leur est nécessaire pour effectuer leur passage.

ARTICLE 14

Les dispositions des articles précédents ne sauraient en aucune manière empêcher une force navale d'un tonnage ou d'une composition quelconques de rendre visite à un port turc sur l'invitation du Gouvernement turc à la condition toutefois, que ladite force, après avoir achevé sa visite, quitte les Détroits par la même route que celle suivie pour l'entrée.

ARTICLE 15.

(Tonnage global des forces navales des Puissances maritimes non riveraines de la mer Noire dont le séjour est autorisé en mer Noire.)

Le tonnage global que les Puissances non riveraines de la mer Noire peuvent avoir dans cette mer en temps de paix sera limité de la façon suivante :

(a) Sauf dans le cas prévu à l'alinéa (c) du présent article, le tonnage global des Puissances n'excédera pas un total de 8,000 tonnes.

(b) Si, à un moment donné, la marine de guerre de la flotte la plus forte des Puissances riveraines dépasse de plus de 10 pour cent, le tonnage de la flotte la plus forte des Puissances riveraines soumises, en mer Noire, à la limite prévue à l'Annexe 2 de la présente convention, le tonnage global de 8,000 tonnes mentionné à l'alinéa (a) sera augmenté d'une quantité égale à ce dépassement jusqu'à concurrence d'un maximum de 15,000 tonnes.

(c) Le tonnage que toute puissance pourra porter dans la future mer Noire sera limité aux trois quarts du dit tonnage global.

(d) Toutefois si une des Puissances riveraines de la mer Noire a des flottes de guerre en construction sur chantier ou en achat, elle pourra demander à la Commission internationale des Détroits, sous réserve d'une autorisation accordée du Gouvernement turc, d'envoyer des bâtiments qui accroîtra la force existant jusqu'à concurrence de 10,000 tonnes selon le cas nonobstant toute disposition des alinéas précédents du présent article.

Sauf pour le cas des visites ayant l'objet visé à l'alinéa (d) du présent article, le séjour en mer Noire d'une force navale de toute puissance quelconque desdites Puissances n'excédera pas un mois.

ARTICLE 16

En temps de guerre, la Turquie restant neutre, les navires de guerre et les bâtiments auxiliaires jouiront d'une complète liberté de transit et de navigation dans les Détroits dans des conditions identiques à celles qui sont stipulées aux articles 9 à 15.

Ces conditions ne seront toutefois pas applicables à une Puissance belligérante au détriment de ses droits de belligérant.

Les droits et devoirs de la Turquie, comme Puissance neutre, ne sauraient l'autoriser à prendre aucune mesure susceptible d'entraver le transit et la navigation dans les Détroits dont les eaux doivent rester entièrement libres en temps de guerre, la Turquie étant neutre, aussi bien qu'en temps de paix.

Rien dans le présent article ne saurait porter atteinte au droit que confère à la Turquie l'article 18 de la présente convention et qui s'appliquera en temps de guerre, la Turquie étant neutre, comme en temps de paix.

Les navires de guerre des belligérants ne procéderont à aucune capture dans le canal et dans les eaux des Détroits, ils n'exerceront pas le droit de visite et de fouille et ne se livreront à aucun acte hostile dans les Détroits.

En ce qui concerne le ravitaillement et les réparations, les navires de guerre seront soumis aux dispositions de la Convention XIII de La Haye de 1907 relative à la neutralité maritime.

ARTICLE 17.

En temps de guerre, la Turquie étant belligérante, les dispositions des articles 9 à 14 ne seront pas applicables et le passage des navires de guerre et des bâtiments auxiliaires est entièrement laissé à la discrétion du Gouvernement turc.

ARTICLE 18

Au cas où la Turquie considérerait qu'elle se trouve menacée d'un danger de guerre imminent, elle aurait le droit d'appliquer les dispositions de l'article 17 de la présente convention. S'il fait usage de ce droit, le Gouvernement turc adressera une notification à cet effet aux Puissances parties à la présente convention ainsi qu'au Conseil de la Société des Nations.

Si le Conseil de la Société des Nations, par une majorité des deux tiers, décide que les mesures ainsi prises par la Turquie ne sont pas justifiées, le Gouvernement turc s'engage à les rapporter.

ARTICLE 19

Les bâtiments de guerre ayant à bord les cas de peste, de choléra, de fièvre jaune, de typhus exanthématique ou de variole ou ayant eu des cas suspects, ainsi que les bâtiments ayant quitté un port contaminé depuis moins de sept jours, devront passer à Détroits ou y stationner pour y appliquer par leurs moyens de bord les mesures prophylactiques nécessaires pour éviter toute possibilité de contamination des Détroits.

ARTICLE 20.

Il est reconnu que la Turquie est sur le même pied que toute autre Puissance en ce qui concerne le droit de réglementer le survol de son territoire et de ses eaux territoriales par les aéronefs civils ou militaires et que la possède le plein droit la liberté entière d'établir des zones dont le survol est interdit.

Toutefois, la Turquie ne s'engage, dans le cadre de la réglementation turque y relative, à faire, en ce qui concerne les passages par les Détroits, le nécessaire pour que les règlements qu'elle pourra édicter, entre l'Europe et l'Asie d'une part et entre la Méditerranée et la mer Noire d'autre part, ne gênent pas indûment le passage des aéronefs civils.

ARTICLE 21

La Commission internationale des Détroits instituée en vertu des articles 10 à 16 de la Convention des Détroits signée à Lausanne le 24 juillet 1923 continuera à exercer ses fonctions. Elle aura notamment pour mission, conformément aux dispositions de l'Annexe 3 à la présente convention, de réunir les statistiques et de fournir les renseignements nécessaires pour l'application des articles 11 et 15.

ARTICLE 22

Sous réserve des dispositions de la présente convention qui ont été librement acceptées par la Turquie, la souveraineté de la Turquie demeure intacte sur son territoire et ses eaux territoriales.

ARTICLE 23

Aucune disposition de la présente convention ne porte atteinte aux droits et obligations découlant du Pacte de la Société des Nations pour la Turquie ou pour toute autre haute partie contractante.

ARTICLE 24.

La présente convention abroge la Convention concernant le régime des Détroits qui a été signée à Lausanne le 24 juillet 1923.

ARTICLE 25

La présente convention sera ratifiée et les instruments de ratification seront déposés aussitôt que faire se pourra, aux archives du Gouvernement de la République française, qui transmettra des expéditions authentiques à chacune des hautes parties contractantes.

La convention entrera en vigueur dès que les instruments de ratification auront été déposés au nom de toutes les Puissances signataires

La présente convention demeurera en vigueur pour une durée de cinquante ans à compter de la date de son entrée en vigueur, à la condition toutefois que le principe de la liberté de passage et de navigation reconnu et affirmé à l'article 1er de la présente convention demeurera en vigueur sans limite de temps

Si deux ans avant l'expiration de ladite période de cinquante ans, aucune haute partie contractante n'a dénoncé la convention, elle demeurera en vigueur jusqu'à ce que deux années se soient écoulées après l'envoi du préavis de dénonciation

Si la présente convention venait à être dénoncée conformément aux dispositions du présent article les hautes parties contractantes conviennent de se faire représenter à une conférence en vue de conclure une nouvelle convention.

Article 26

A l'expiration de chaque période quinquennale à compter de la date de l'entrée en vigueur de la présente convention chacune des hautes parties contractantes aura le droit de proposer les amendements qu'elle jugera utiles à apporter aux articles 11 et 15 de la présente convention

Si l'une des hautes parties contractantes désire présenter des amendements conformément aux dispositions de l'alinéa précédent, elle en avisera chacune des autres hautes parties contractantes trois mois avant l'expiration de la période quinquennale en cours. Ce préavis contiendra l'énumération des amendements désirés ainsi que les motifs de ces propositions

Si une haute partie contractante propose un amendement, dans les conditions prévues ci-dessus et s'il est impossible d'aboutir à un accord sur cette proposition par la voie diplomatique les hautes parties contractantes conviennent de se faire représenter à une conférence qui sera convoquée pour examiner cette question

(La délégation du Royaume-Uni se réserve de soumettre plus tard le texte des annexes mentionnées dans le corps du présent projet.)

(E 4248 129 44) No. 3.

Sir P. Loraine to Mr Eden.—(Received July 9.)

(No. 361.)

HIS Majesty's representative in Turkey presents his compliments to His Majesty's Secretary of State for Foreign Affairs, and has the honour to transmit herewith copy of a note from the Ministry for Foreign Affairs, dated the 24th June, respecting the reorganisation of the People's party.

Istanbul, June 27, 1936.

Enclosure 1 in No. 3.

Note from Turkish Minister for Foreign Affairs

LE Ministère des Affaires étrangères a l'honneur de transmettre ci-joint aux Missions diplomatiques accréditées à Ankara la proclamation publiée par le Général Ismet Inönü, Président du Conseil, Vice-Président du Parti républicain du Peuple, contenant les nouvelles modifications apportées à l'organisation et au fonctionnement du Parti républicain du Peuple.

(Sceau.)

Ankara, le 24 juin 1936.

Enclosure 2 in No. 3.

Proclamation.

AFIN de hâter la réalisation des buts élevés, poursuivis par le Parti républicain du Peuple dans la vie politique et sociale du pays et d'activer et intensifier le développement du parti, le Conseil de la Présidence a décidé d'assurer un rapprochement plus étroit et une coopération plus féconde entre l'activité du parti et la gestion des affaires gouvernementales.

A cette fin:

1. Le Ministre de l'Intérieur est nommé membre du Comité de Direction générale et chargé des fonctions de secrétaire général du parti.
2. Dans chaque vilayet, le Vali est nommé président de la section provinciale du parti.
3. Ainsi qu'il en est pour les affaires gouvernementales, les inspecteurs généraux sont également chargés, dans leur circonscription respective, de l'inspection et de la surveillance supérieures de l'activité des organisations du parti.
4. Dans les vilayets les présidents élus par le Comité de Direction de la section provinciale du parti, ont repris la qualité de simple membre. Les fonctions présidentielles les présidents députés, élus aux élections régionales ou nommés directement par le parti, ont pris également fin.
5. Le Ministre de l'Intérieur, en assume les fonctions de secrétaire général du parti, veillera à l'exécution des stipulations de la présente proclamation.
6. Les dispositions précédentes ont été communiquées à toutes les organisations du parti, aux inspecteurs généraux.

Le Président du Conseil,
Vice-Président du Parti républicain du Peuple.
ISMET INONÜ.

Le 18 juin 1936.

(J 6168/6168/1) No. 4

Sir P. Loraine to Mr Eden.—(Received July 9.)

(No. 53.)

(Telegraphic.) R *Constantinople, July 9, 1936.*

PRESS reports decision taken by Turkish Cabinet yesterday, in view of decision taken by League of Nations to raise sanction against Italy as from 15th July.

(A 5822/4671/45) No. 5.

Interview between the German Chargé d'Affaires and Mr. Craigie.

PRINCE VON BISMARCK called at my request, and I handed him two copies of the document headed 'New Version of the Turkish Draft Convention of the 22nd June, submitted by the United Kingdom Delegation on the 4th July, 1936.'' In doing so I stated that this British draft was not a counter proposal in the ordinary sense of the word, but represented an attempt by the United Kingdom delegation to provide a concrete basis of discussion by grafting on to the original Turkish draft proposals made by the various parties in the course of negotiations such seemed likely to secure a measure of acceptance. I added that, as this was a reference document I must ask that it should be regarded as communicated to Prince von Bismarck privately and confidentially. As Turkey was the inviting Power, the normal course would be for any communications to non participating Powers to be communicated through the medium of the Turkish Government

Prince von Bismarck quite saw the point and undertook that the draft should be regarded as confidential

He then asked whether I had any further information to communicate.

I replied that the situation still appeared somewhat confused, but that generally speaking I did not anticipate that there would be any insuperable difficulties in securing agreement on the clauses relating to the passage of war ships in peace time As regards war time, we had taken the line that the ordinary rules relating to belligerent rights should apply Prince von Bismarck observed that he had noticed in the papers that an attempt was being made to claim special facilities under the Franco Soviet Pact for the sending of vessels through the Dardanelles should that pact come into operation He said that this if true would raise a very serious point of principle for Germany, since not only would such action in itself constitute a discrimination against German naval forces in the event of the Franco-Soviet Pact being applied in a war with Germany but the precedent which would be set in regard to the Franco-Soviet Pact and the Dardanelles might operate in respect of future regional pacts dealing with matters other than the Dardanelles Although he had not yet received any further instructions from his Government, he thought that this latter consideration would be regarded by them as of special importance Speaking personally, Prince von Bismarck appeared to think that article 23 as it appeared in the British counter draft was a quite natural reservation of the rights and obligations of members of the League of Nations

R L C

Foreign Office July 9, 1936

E 4260 129 44] No. 6

Mr Morgan to Mr Eden —(Received July 9)

(No. 368)

HIS Majesty's representative in Turkey presents his compliments to His Majesty's Secretary of State for Foreign Affairs, and has the honour to transmit herewith copy of despatch No 42 of the 19th June from His Majesty's consul at Trebizond reporting the activities of M Tahsin Uzer, Third Inspector General

Istanbul, July 2, 1936

Enclosure in No. 6.

Consul Matthews to Mr Morgan.

(No. 42 Confidential) *Trebizond June 19, 1936*

Sir

I HAVE the honour to report that in an interview which I had yesterday, the 18th June, with the Third Inspector-General, who had arrived at Trebizond a few days previously from Erzerum by way of Hopa and Rize, M Tahsin Uzer stated that he had left Erzerum on the 3rd June and spent a fortnight on a tour of inspection. As at Trebizond, it had rained every day of that fortnight, and travelling had been unpleasant and difficult He had been held up by floods, and on one occasion his motor car, a large American machine had stuck fast in a stream, and he had had to wait for several hours until local villagers had extricated it He added that there had also been unusually heavy rain in Northern Persia and Transcaucasia He had had conversations with Persian and Russian frontier officials on the subject He knew enough Persian to carry on a conversation and, being a Macedonian Slav he had no difficulty in talking to Russians in their own language

2 M Uzer mentioned that he was married, but his wife was in Constantinople with their son, a youth of 20 who wished to become an architect The boy had learned English at Robert College, Constantinople, and he would like him to receive his professional training in England or America He had written to the British and American Ambassadors, both of whom he knew, for advice, but had not had time to receive a reply

3. He mentioned that M Ali Fethi Okyar, the Turkish Ambassador in London, a common acquaintance, was to visit Trebizond in August next. M Okyar would spend a few days here before proceeding on a tour of the interior

4. I mentioned that I had visited Erzerum seven or eight years ago, and enquired what the road was like beyond Bayburt. M Uzer replied, as I had anticipated, that it was very good in parts adding that it was hoped to get a lot of work done this summer Altogether, a sum of nearly £T 1 million would be available for expenditure on the Trebizond-Erzerum Persian frontier road this year In this connexion, I would mention that M Akif Nemli, a member of the well-known local Nemli-zade family, is at present engaged in constructing bridges on the Tabriz Persian frontier portion of the road, for which he obtained a contract early this year from the Persian Government The journey Trebizond-Erzerum could now be accomplished in ten to twelve hours. M Uzer meant to do everything possible to revive the transit trade He had recommended that a lead seal should be affixed to goods in transit through Trebizond to Northern Persia and that such goods should be passed through the frontier customs houses unopened the seal not being removed until arrival at destination He had also recommended that a system of indemnification for goods lost or stolen in transit, similar to that in force on the Turkish State Railways should be adopted with regard to goods in transit By these and similar measures he hoped to bring about a revival of the transit trade

5 M Uzer remarked upon the severity of the Erzerum climate and the absence of social life in Erzerum He expected to spend most of his time in Trebizond making inspections from time to time as might be necessary The original intention was I understand, that the Inspector-General should have his permanent head quarters at Erzerum A report is current locally which may be true, that the allocation of £T 2 million granted to the Third Inspector General for constructing offices and putting the Inspectorate-General on a working basis has been cut down to some £T tens of thousands, the funds being required for more urgent matters connected with national defence However, neither M Uzer nor I referred to this report in the course of our conversation M Uzer spends most of his spare time in the Trebizond Town Club the opening of which was reported in M Palanga's despatch No 22 of the 28th March last He is fond of card games such as poker and bridge, and does not observe the Islamic ban on the consumption of alcoholic liquor

I have &c.

W D W MATTHEWS.

[R 4831/294/67] No 7

Sir P. Loraine to Mr Eden —(Received July 18.)

(No 65)

(Telegraphic) *Constantinople July 18, 1936.*

FOLLOWING for Sir R Vansittart

"Although your telegrams Nos. 139 and 140 have now been received your telegram No. 253 to Rome has not arrived, so my picture is not yet quite complete I have, nevertheless, telephoned to Acting Minister for Foreign Affairs, who is in Angora, and have explained to him what I now understand to be broad position viz that reciprocal notes exchanged last December are regarded as having lapsed simultaneously with the raising of sanctions, but that a separate, later and unilateral assurance to Powers with whom His Majesty's Government in United Kingdom had exchanged previous assurances last year has been given by declarations made by Secretary of State for Foreign Affairs first in House of Commons on the 18th June and repeated at Geneva, and holds good until His Majesty's Government see fit to terminate it

"I now see where the misunderstanding starts from There is an ambiguity in declaration of the 18th June I certainly understood it to mean not that a fresh unilateral assurance was being given in replacement of previous reciprocal one but that earlier assurance so far as His Majesty's

Government were concerned, was being prolonged so as to cover a period of uncertainty which must follow the raising of sanctions. If I myself understood the declaration in this way the Turks might well be pardoned for having drawn a like conclusion. I think, moreover, that my telegrams Nos. 4 and 5 to Geneva, unless they reached you in a corrupt state, must have made it plain that such was the Turkish understanding.

"You will remember, moreover, that Turkish Government have all along stressed reciprocal character of December assurances, and also undesirability of their necessarily lapsing on termination of Italo-Abyssinian dispute (see my telegram No. 145 from Angora, paragraph 4, and my despatch No. 626, paragraph 1, both of 1935).

"Their contention that reciprocally binding assurances exchanged between them and us and entered into after consultation with their Balkan partners, ought only to be terminated by similar agreement and consultation seemed therefore to them entirely natural, and to me entirely consistent and completely loyal. In these circumstances please do appreciate that it was a shock for them when they had staved off a pressing Italian enquiry in order to consult His Majesty's Government, as they felt in duty bound to learn from Italian Ambassador that you had already informed Italian Government that December assurances had lapsed.

"Without personal contact with Acting Minister for Foreign Affairs I cannot feel sure of being able to clear up all aspects of this misunderstanding.

"I am therefore making wearisome journey to Angora on Sunday night and shall be back here Tuesday morning. But please do not send me any telegrams to Angora."

(Repeated, Saving, to Rome, Athens, Belgrade and Bucharest.)

[E 4499/88/44] No. 8

Mr Eden to Sir P. Loraine (Constantinople)

(No. 37)
(Telegraphic) R *Foreign Office, July 18, 1936.*

YOUR telegram No. 61 of 14th July. Proposed Anglo-Turkish compulsory clearing arrangement.

In the negotiations with M. Faik His Majesty's Government will have in mind two objects:—

(1) To convert the "payments" clauses of the present agreement into a clearing agreement.

As the main importing season of Turkish products begins in August His Majesty's Government propose, if it is not possible to complete discussions by 1st August, to issue an order requiring payments for Turkish goods to be made to the Clearing Office, and the sterling held in a suspense account pending the negotiations.

(2) To reach agreement as to best means of expediting liquidation of outstanding arrears of some £915,000 which threaten to paralyse trade and *a fortiori* to make it impossible to place further special Government orders in the United Kingdom.

We shall invite proposals of Turkish Government on this urgent and difficult problem. Ideas which have occurred to us are:—

(*a*) A special payment of considerably more than the £50,000 already offered.
(*b*) A second charge on Comptoir proceeds.
(*c*) A temporary allocation from Sub-Account B of 10 per cent. (reducing the free 30 per cent. to 20 per cent.)

The above is for your information, and I leave it to your discretion whether to inform Turkish Government of what is in our minds.

[E 4547/26/44] No. 9.

Mr Eden to Mr Newton (Berlin)

(No. 1832.)
Sir, *Foreign Office, July 18, 1936.*

WITH reference to my telegram No. 26, Saving, of the 15th July, regarding the possible effect on Germany of the restriction of the right of passage in peace time of non-Black Sea warships into the Black Sea to "light surface vessels," I have to inform you that His Majesty's Government subsequently decided to accept a solution of the problem presented by the rights of passage of belligerent warships in time of war when Turkey was neutral, in the sense that such warships should be excluded from the Straits altogether, except when acting under the provisions of the Covenant of the League of Nations or of a pact supplementary to the Covenant to which Turkey was herself a party. Although this solution was not much to be desired from the point of view of His Majesty's Government, who would have preferred that the Straits should have been left open to all belligerent warships except those whom Turkey would have a right or an obligation to exclude in the interests of her own security or as a result of the working of the Covenant, it had at least the merit of excluding the operation of pacts supplementary to the Covenant to which Turkey was not herself a party.

2. It was at the same time realised that this solution, together with the limitation to "light surface vessels" of the right of passage in peace time, might be the subject of misunderstanding or dissatisfaction in Germany. With a view to preventing any untoward reaction on the part of the German Government, I therefore instructed Sir Robert Craigie to explain to the German Chargé d'Affaires the main developments which had taken place at Montreux since he had been given on the 9th July a copy of the revised version of the Turkish draft convention prepared by the United Kingdom delegation and submitted to the Conference on the 4th July.

3. Prince von Bismarck accordingly called at the Foreign Office on the morning of the 16th July. Sir Robert Craigie, who was accompanied by Mr. Sterndale Bennett, began by referring to the reports which Prince von Bismarck would have seen in the press of the discussions which had been going on at Montreux as to whether the new convention should make special provision for the passage through the straits in time of war Turkey being neutral of belligerent warships acting in accordance with certain pacts supplementary to the League Covenant. The United Kingdom draft had merely contained a general overriding clause about rights and obligations under the League Covenant and His Majesty's Government would have preferred to have left it at that. They had not thought it right, at all events, that Turkey should be obliged by the new convention to take certain action under pacts to which she herself was not a party. On this point Sir Robert Craigie was glad to be able to say that the view of His Majesty's Government had prevailed. A compromise had been adopted which would refer only to pacts to which Turkey herself was a party. This was a provision to which His Majesty's Government did not think that legitimate objection could be taken.

4. Prince von Bismarck interjected that he did not see very well how Turkey could take the kind of action contemplated under pacts to which she might be a party, without thereby infringing her neutrality. Was not the point in fact so academic as not to need special mention in the convention? Sir Robert Craigie agreed that it might be academic, since the action which Turkey took might in fact result in her becoming belligerent, in which case a different part of the new convention would apply. But this consideration only strengthened the view of His Majesty's Government that the compromise was not one which it was worth while to oppose.

5. Prince von Bismarck said that the reference to pacts to which Turkey was a party seemed to him none the less unfortunate. Did it not in fact open the door for the accession of Turkey to the Franco-Soviet Pact? Sir Robert Craigie replied that while the possibility of Turkey acceding to that pact remained as before he doubted (though this, of course, was only a personal view) whether the new convention would in itself drive her in that direction. In fact, it might work the other way. Turkey having recovered control of the Straits might be less inclined to become involved in such commitments as the Franco-Soviet Pact.

6 Sir Robert Craigie then went on to explain that it had been decided that the normal rule in time of war, when Turkey was neutral, should be the closure of the Straits to all belligerents, subject only to rights and obligations under the Covenant and under pacts to which Turkey might be a party His Majesty's Government would themselves have preferred to see the Straits normally open in such circumstances They realised however, that once the Straits were remilitarised Turkey would in fact be in control, and they had not therefore felt that the point possessed such importance as to justify the breaking down of the conference which would certainly have resulted if His Majesty's Government had maintained their attitude It was fairly certain that if the conference did break down, Turkey would take the matter into her own hands, in which case she would herself decide the conditions on which shipping of all kinds, *i.e.*, commercial vessels as well as warships, was to pass through the Straits This would probably have resulted in restrictions as little in the interests of Germany as of His Majesty's Government at point which Prince von Bismarck appeared to appreciate) It was clearly better to obtain the measure of freedom which the new convention would confer on shipping than to run this risk His Majesty's Government had therefore felt bound to agree to the general rule that the Straits should normally be closed to warships in time of war when Turkey was neutral

7 Prince von Bismarck then asked what was the position as regards the limitation of the right of passage to "light surface vessels" Was it a fact that this was aimed as press reports stated, at the German pocket battleships?

8 Sir R Craigie explained that it was quite true that this definition would exclude the German pocket battleships but it would also exclude a great many ships belonging to other nations including Great Britain herself The real purpose of the definition was to limit the right of passage in time of peace to cruisers Although the existing convention contained no definite provision on this point the clause which gave non Black Sea Powers the right in time of peace to send a force of three ships each not exceeding 10,000 tons) into the Black Sea seemed to be sufficient evidence that even the framers of the existing convention had cruisers in mind At all events, the present desire of the Turkish Government was to ensure that in times of tension larger vessels than cruisers should not pass through the Straits In addition to the Marmora yardstick which would limit to 15,000 tons the total tonnage of foreign warships which might be in the Straits at any one moment, Turkey now desired a limit on the size and power of individual ships which might pass through the Straits within this global tonnage The Turks wanted in fact, to exclude capital ships Sir R Craigie then handed to Prince von Bismarck a list of capital ships which would be affected by the definition This list was the same as that contained in my telegram No 17 of the 15th July to Montreux

9 Sir R Craigie also observed that the definition "light surface vessels" would automatically exclude submarines and aircraft carriers He trusted, therefore that the German Government would not believe that they alone were affected He pointed out, moreover that if as His Majesty's Government hoped the London Naval Treaty of 1936 eventually found general acceptance, the limitation which was now likely to appear in the new Straits Convention would be entirely fair to all These arguments seemed to make some impression on Prince von Bismarck

10 Mr Sterndale Bennett then explained the present position as regards the Marmora "yardstick" (article 11 of the United Kingdom draft) and the Black Sea "yardstick" (article 15 of the United Kingdom draft) He said that the general principle of the Marmora "yardstick" remained unchanged, but it was now probable that there would be a special provision allowing the Russians to send out from the Black Sea units of over 15,000 tons He explained in answer to a question that some derogation from the Marmora "yardstick" had always been contemplated in favour of the *Paris Commune* which he understood to be of 25,000 tons, and it had seemed unreasonable to oppose the Russian request that provision should be made for any ships of similar or even heavier tonnage which she might subsequently build, seeing that Russia was, under the existing convention completely free of all restrictions on the passage of her warships through the Straits

11 As regards the Black Sea "yardstick" the general principle of the sliding scale appeared to be accepted, although there had been discussions

regarding the moment at which the sliding scale should begin to operate The solution which seemed likely to be accepted was that when the fleet of the strongest Black Sea Power exceeded by 10,000 tons its strength at the time of the signature of the new convention, the total tonnage which non-Black Sea Powers might send into the Black Sea should increase on a ton-for ton basis from the 30,000-ton minimum up to a maximum of 45,000 tons Article 15 (*d*) of the United Kingdom draft about the passage of warships into the Black Sea for humanitarian purposes would probably be entirely redrafted so as to lay down more precisely the procedure to be followed before any Power could send any warship for this purpose over and above the normal global limit but apart from details of this sort, the only real change in Article 15 (*d*) was that the tonnage which any Power might send into the Black Sea in virtue of it would be 8,000 and not 10,000

12 Prince von Bismarck expressed himself as very appreciative of the information which had been given to him and which he knew that his Government would welcome He felt sure however, that they would feel some misgiving about the restriction of the right of passage in peace time to "light surface vessels" Although he would pass on the explanation which had been given to him, the fact remained that the press had emphasised that this was directed against the German pocket battleships It was put to him that it would be unfortunate if His Government were swayed by the interpretations placed on this question by press correspondents in Montreux All the Powers concerned were accepting restrictions additional to those placed upon them by the existing convention, and this particular restriction would affect far wider classes of vessels than the German pocket battleships Prince von Bismarck said that he would certainly represent this to His Government, but he could not help feeling that the objection had been aimed by Russia against the German pocket battleships

13 Prince von Bismarck then drew from his pocket a letter which he had received from Herr Dieckhoff This referred to the explanations which had been given to Prince von Bismarck in London and by yourself in Berlin to Baron von Neurath with a view to dispelling the earlier misapprehensions as a result of which Baron von Neurath had mentioned the possibility of reactions on the Anglo German Naval Agreement The letter asked Prince von Bismarck to inform the Foreign Office that the German Government regarded this particular matter as closed in view of the explanation which had been given The letter also referred to a remark which Sir R Craigie had made at the end of a previous interview that the German attitude towards the Anglo German Naval Agreement appeared to have undergone some change (Actually Sir R Craigie had said that the method of inspiring press comments hinting at a modification in the Anglo-German Naval Agreement was a departure from the frank and friendly methods hitherto followed in our Anglo German naval negotiations) The letter asked Prince von Bismarck to assure the Foreign Office that this was by no means the case The German Government attached the same high importance as before to the Anglo-German Naval Agreement and were most anxious to maintain and improve the friendly relations of which that was an example Sir R Craigie expressed appreciation of this declaration which he felt sure that I should welcome

14 Copies of this despatch are being sent to His Majesty's Ambassadors at Moscow and Constantinople

I am, &c
ANTHONY EDEN

E 4583/26/44] No 10

Sir P Loraine to Mr Eden (*Received July 20.*)

(No 70)
(Telegraphic) *Constantinople, July 19, 1936*

MONTREUX telegram No 2 to me

All misgivings and misunderstandings as regards British rôle in Montreux Conference have been completely dissipated

Prime Minister has sent me a message through Acting Minister for Foreign Affairs to say how greatly he appreciates British contribution to happy issue in

terms of wisdom, moderation, friendliness and even in some respects of abnegation for the common good

Turkish Government are immensely pleased at settlement achieved, and Acting Minister for Foreign Affairs quoted to me a remark made by Turkish Prime Minister to a largish assembled company in special train last night from Angora to Istanbul, to the effect that "this conference and its happy result have shown us clearly the greatness of England, her friendship for Turkey and importance she attaches to her relations with Turkey, which we Turks believe we deserve."

(Repeated to Montreux)

[E 4251/4/93] No 11

Mr Eden to Sir P Loraine (Constantinople)

(No 41)
(Telegraphic) *Foreign Office, July 21, 1936.*

(R) YOUR telegrams Nos. 65 and 71 and my telegram No 39 Mediterranean assurances

It is not the case that we ever told Italian or any other Government that we regarded reciprocal undertakings of December as having lapsed You will now have learnt from my telegram No 253 to Rome and my telegram to you No 139 that the point is one on which we declined to express an opinion Turkish Chargé d'Affaires raised this point again on 17th July and was informed in reply as follows

> 'In the view of His Majesty's Government obligations which they undertook in December still hold good only in so far as they were continued by my declarations of 18th June in the House of Commons and on 1st July in Geneva They do not wish to express any opinion on continuance or discontinuance of assurances given to them by France Turkey Yugoslavia and Greece French Government and Greek Government have declared that so far as they are concerned they regard mutual assurances of December to have ended with termination of sanctions and His Majesty's Government have no desire to contest this statement or the right of Greek and French Governments to have made it It follows that in our view it is for Turkish Government to decide for themselves whether in their view assurances which they gave in December to His Majesty's Government still continue or have ceased to be in force' (End of R)

General situation in Mediterranean seems to us to have been radically altered by pacificatory assurances which have now spontaneously been given by Italian Government to Greece Yugoslavia and Turkey (see Rome telegram No. 458) I presume that these assurances have, in effect, been communicated to the Turkish Government as they have been to the Greek and Yugoslav Governments. For your own information and on that assumption, I am now considering whether, in view of these assurances, the "period of uncertainty following the termination of action under article 16" has not now come to an end, in which event the assurances I gave to the three Mediterranean countries would be no longer "appropriate to the circumstances" and would, therefore, cease to operate (Passages between inverted commas are, as you will appreciate, quotations from my declaration of 18th June) I will let you know further on this point in a day or two.

Meanwhile, if the Italian assurances are of the satisfactory nature that I anticipate, you should have no difficulty in explaining to the Turkish Government without hurting their feelings, that these assurances have now rendered unnecessary any assurances on *their* part, for it would seem clear that any period of danger in the Mediterranean is closed in circumstances thus altered Moreover we apprehend a real risk that for Turkish Government now to reciprocate unilateral assurances which we for our part may shortly terminate would give umbrage to and arouse suspicions of Italian Government We warmly appreciate motives inclining Turkish Government to give proposed unilateral assurances to us, but wish to urge in most friendly but emphatic manner that interests common to us and to them will be better served if they refrain from doing so.

What precedes will, I hope, make plain discrepancies between your line as described in paragraph 4 of your telegram No. 71 and our views and intentions I approve your paragraph 5 and sections (1) and (2) of your paragraph 6 You should go slow as regards a Mediterranean Pact (your paragraph 6 (3), which existing circumstances do not allow us to contemplate. As regards your paragraph 7, I have no information beyond that contained in Belgrade telegram No 72

(Repeated to Rome, No 272, Athens, No 106, Belgrade, No. 75, and Bucharest, No. 13 Saving)

R 4328/294/67] No 12

Mr Eden to Sir E Drummond (Rome)

No 278)
Telegraphic) R *Foreign Office, July 21, 1936*

MY immediately preceding telegram
Text of aide memoire dated 17th July, is as follows

> "Acting on instructions from Count Ciano the Italian Ambassador at Angora and the Italian Ministers at Belgrade and Athens respectively have approached the Turkish Yugoslav and Greek Governments, and have given to each of these three Governments the most clear assurance that Italy has never contemplated nor is contemplating an aggressive action against any of them in retaliation for their past sanctionist policy No such danger they have pointed out exists or ever existed and the hypothetical suggestion of an Italian attack is to be considered as absolutely unwarranted and unjustified
>
> "In expressing these views, the Italian representatives at Angora Belgrade and Athens have also emphasised that Italy considers the sanction chapter as being completely and definitely over and that she looks confidently ahead towards a new period of mutual co-operation amongst all nations
>
> They have also recalled that between Italy and Greece and between Italy and Turkey treaties of friendship are in existence with which Italy has never failed to comply and which the Italian Government intend fully to respect With Yugoslavia Italy intends no less to develop the same good relationship she enjoys with Turkey and Greece"

(Repeated to Belgrade No 77, Constantinople, No 43, Athens, No 110 and Bucharest, No 15 Saving)

E 4633, 26/44, No. 13

CONFERENCE HELD AT MONTREUX FOR THE REVISION OF THE CONVENTION RELATING TO THE RÉGIME OF THE STRAITS SIGNED AT LAUSANNE ON JULY 24, 1923

Extract from the Proceedings of the Sixteenth (Private) Meeting, held on July 17, 1936, at 3 P.M. (Received in Foreign Office on July 22, under cover of Montreux Despatch No 42 of July 20, 1936)

Declaration by the Turkish Representative regarding the War Graves Provisions of the Treaty of Peace signed at Lausanne on July 24, 1923

M ARAS (Turquie) On a manifesté quelques inquiétudes au sujet des rapports existant entre la convention que nous allons signer et le Traité de Paix Lausanne Pour dissiper tous malentendus la délégation turque fait la déclaration suivante qu'elle vous prie de faire consigner dans le procès-verbal

L'article 23 du Traité de Lausanne a trouvé son application dans la question que nous avons élaborée D'autre part il va de soi que la Turquie considérera comme par le passé être liée par ledit Traité de Lausanne et fera également honneur à ses engagements nonobstant les changements à

intervenir, par la convention, dans le régime des Détroits. Par exemple, les mêmes facilités que par le passé en ce qui concerne l'entretien, la surveillance et les visites des cimetières et l'application de l'article 124 seront évidemment maintenues par le Gouvernement turc.

LORD STANLEY (Royaume-Uni) (traduction). Comme délégué du Royaume-Uni j'ai écouté avec le plus grand intérêt et la plus grande sympathie la déclaration que le délégué de la Turquie vient de faire. Le point de vue qu'il a exprimé au sujet de la situation qui résultera de la signature de la convention que nous sommes en train de négocier est le même que celui qui a été adopté par mon Gouvernement.

Je crois qu'il a toujours été reconnu que nous n'étions ici que pour reviser la Convention des Détroits de Lausanne. Il n'a jamais été mis en doute que le Traité de Lausanne demeure intact à cela près que son article 23 trouvera maintenant son application dans la présente convention comme il n'a jamais cessé de l'être jusqu'ici. Je crois que ce que nous faisons ici n'a d'ailleurs ce que nous pourrions insérer dans toute convention que nous pourrions conclure ne saurait entraîner une modification de ce traité.

L'opinion publique de mon pays attache la plus grande importance au maintien général des clauses du Traité de Lausanne relatives aux cimetières de guerre et à leur conservation sous tous les rapports. Des facilités leur ont été jusqu'ici assurées pour leurs visites à ces cimetières comme pour le transport et la protection des tombes. Ces tombes nous les considérons comme un lien entre nos pays et nous sommes certains que le Gouvernement turc et le peuple turc partagent cet état de sentiment.

C'est donc avec le plus grand plaisir que je remercie le délégué turc de sa déclaration. C'est dans cet esprit de déclaration et de réponse que nous avons fait que mon Gouvernement signera la Convention.

LE PRÉSIDENT (traduction). En ma qualité de représentant de l'Autriche et aussi de Président de la Conférence, je désire m'associer à ce qu'a dit le représentant du Royaume-Uni au sujet de la déclaration du représentant de la Turquie auquel je me suis adressé au nom de mon Gouvernement et du peuple d'Australie tout entier pour lui apprécier les assurances qu'il vient de nous donner. A certains égards, ces assurances sont inutiles, ce que nous avons fait n'a rien changé aux dispositions du Traité de Lausanne relatives aux cimetières de guerre. Je suis sûr que le représentant de la Turquie comprendra quel intérêt l'opinion publique de mon pays attache à cette question. Comme je l'ai rappelé à la conférence lors de mon premier discours, plusieurs milliers de mes compatriotes d'Australie reposent dans la presqu'île de Gallipoli. J'ai passé moi-même plusieurs mois dans cette presqu'île et ce n'est peut être qu'à un acte de la Providence que je dois de n'y avoir pas ma tombe. Mon pays désire très vivement que ces cimetières soient conservés et protégés en toutes circonstances. Nous remercions bien sincèrement le Gouvernement turc des facilités qu'il a accordées dans cet ordre d'idées et de la compréhension qu'il a témoignée de nos sentiments. Je suis certain que sous ce nouveau régime toutes les facilités dont nous bénéficions dans le passé nous seront conservées et que le Gouvernement turc manifestera à notre égard la même compréhension qu'auparavant. Je joins mes remerciements à ceux qu'a exprimés le représentant du Royaume-Uni et je puis assurer le délégué de la Turquie que la déclaration qu'il a faite aujourd'hui contribuera dans une grande mesure à rassurer l'opinion publique de mon pays sur cette question qui nous tient tant à cœur.

Comme Président de la Conférence, je prends acte de la déclaration du représentant de la Turquie qui sera consignée dans les procès-verbaux.

M. ARAS (Turquie). Je tiens à dire que je suis très ému par les déclarations du Président et de Lord Stanley. Je tiens à souligner une fois encore que les grands morts qui dorment sur notre terre nous sentent et nous incitent à collaborer à l'organisation de la paix, parfaite harmonie avec tous les pays ici représentés et avec ceux qui voudront encore se joindre à nous.

M. PAUL-BONCOUR (France). La déclaration spontanée que le Ministre des Affaires étrangères de Turquie a ajoutée comme conclusion aux travaux de cette conférence me fait un devoir, après vous, M. le Président, et après Lord Stanley, d'apporter les sentiments d'un pays qui a été mêlé aussi étroitement que l'Australie et le Royaume-Uni au sacrifice qui avait précédé le Traité de Lausanne. J'estime que la déclaration du Ministre des Affaires étrangères turc a une triple signification juridique, politique et morale, qui donne à la fin de cette conférence l'atmosphère qui lui convenait.

Je disais que cette déclaration a une signification juridique car il est certain que la convention à laquelle ont abouti nos longues discussions est plus en harmonie avec la grande réconciliation qui s'opère ici. Elle a aussi une signification politique. Que le délégué de la Turquie, par cette déclaration qui nous donne une satisfaction que nous ne lui demandions même pas, et dont nous lui sommes d'autant plus reconnaissants, témoigne de toute la signification de cette conférence qui prouve qu'il est possible dans la paix dans la règle internationale et dans le respect de la loi internationale d'adapter aux circonstances telles dispositions des traités de paix qui se révèlent inadaptées à ces circonstances.

Mais Lord Stanley et vous, M. le Président, avec l'émotion que vous donnent vos propres souvenirs, vous avez tenu à manifester la gratitude que nous éprouvons tous envers la délégation turque d'avoir marqué parmi les dispositions du Traité de Lausanne qui restent en vigueur des accords qui découlent moins des traités que d'un sentiment profond. Je tiens à associer ma délégation à cette reconnaissance car nous avons nous aussi beaucoup des nôtres qui dorment là-bas. La délégation turque en faisant ce geste n'a fait que répondre à l'hommage que nous lui avons rendu. Lorsque Lord Stanley rappelait, tout à l'heure, les visites qui ont été faites aux tombes de ceux qui dorment dans ces terres étrangères, je me rappelais une marque de grande sympathie qui avait été faite par nous qui avait été dirigée par un des chefs qui avaient combattu là-bas. Dans tous ces ouvrages, il n'était pas question de marquer le souvenir qui avait gardé à la bravoure et à la loyauté du soldat turc.

Il est très heureux que de tels sentiments aient été invoqués, ils dépassent le cadre juridique et ne se limitent que de cette conférence, et très certainement tous ceux qui les ont entendus donneront à cette réunion toute sa valeur.

M. POLITIS (Grèce). Au nom du Gouvernement hellénique, je tiens à adresser mes sincères remerciements à ceux qui ont été déjà adressés à la délégation turque pour la déclaration qu'elle a faite. On apprendra avec une satisfaction profonde à Athènes les paroles qui ont été prononcées au nom du Gouvernement turc.

Ce n'est pas que l'on ait éprouvé le moindre doute sur la fidélité que la République turque a pour les traités qu'elle a librement acceptés, mais ce sera une satisfaction qui sera motivée par des considérations toutes particulières. C'est que le Traité de Lausanne n'est pas pour la Grèce et la Turquie un traité de paix ordinaire, c'est le traité qui a vraiment mis fin à la dernière des guerres entre ces deux pays. Ces deux nations qui pendant plusieurs siècles ont été en lutte ouverte ont compris après ce traité qu'il fallait définitivement tourner la page de l'histoire et remplacer l'hostilité par l'amitié.

Le Traité de Lausanne est pour ces deux pays le point de départ d'une amitié qui, depuis des années, s'affermit de jour en jour et devient plus fraternelle. Je tiens donc à exprimer à ce double titre mes remerciements et ma gratitude à la délégation turque en l'assurant que ses paroles seront profondément ressenties en Grèce.

M. ARAS (Turquie). Permettez-moi de dire ma profonde reconnaissance à M. Paul-Boncour et à M. Politis, qui ont bien voulu interpréter les sentiments de leurs pays tout en se faisant l'écho de nos propres sentiments.

E 4633/26/44] No. 14

Lord Stanley to Mr. Eden.—(Received July 21.)

(No. 45.) *United Kingdom Delegation to the Montreux Conference, July 20, 1936.*

SIR,

I HAVE the honour to transmit to you herewith the accompanying copy of a report by Mr. Rendel summarising and analysing the main issues which have been dealt with in the course of the conference which is now drawing to its close.

2. This report has been prepared by him in view of the fact that owing to the change in the leadership of the delegation, and to my not having been present

during the preliminary discussions and earlier stages of the conference, I was not myself familiar with the details of what passed during that period

3 I have no hesitation in endorsing the conclusion of the report, and in saying that the convention which we are now about to sign is as satisfactory a document as could possibly have been obtained in existing circumstances.

4 This view has been confirmed by a conversation which I have had with Mr Bruce, who, as President of the Conference, has been in a particularly good position to assess the various factors which have affected the negotiations.

5 I wish particularly to bring to your notice the work which has been done by Mr Rendel

6 Sir Alexander Cadogan's great experience and wise judgment were of inestimable value to me but he would be the first to agree that the heat and burden of the day have been borne by Mr Rendel who has acquitted himself admirably both in debate and in the private discussions I have been particularly well served by my technical advisers who have never allowed our wider objective to be obscured by points of rather smaller importance

7 Indeed, I am under a deep debt of obligation to every member of the delegation for their loyal and cheerful service and unstinted support

I have, &c
STANLEY

Enclosure in No 14

Mr Rendel to Lord Stanley

July 19, 1936

My Lord,

IT may be useful at this final stage of the Montreux Conference when the successful conclusion of our labours is at last in sight to give a brief summary of the course of the negotiations on the major issues involved and to analyse the various difficulties which have arisen and the way in which they have been surmounted Such a report which it has only been possible to prepare hastily in intervals of negotiation and while the conference is still proceeding must necessarily be somewhat incomplete But it may nevertheless be convenient that some such summary should be available for immediate submission when the conference closes.

I —*Preliminary Difficulties over Nature of Turkish Proposals*

2. The initial difficulty with which the United Kingdom delegation were faced was the uncertainty as to the attitude of the Turks themselves. It will be remembered that when the Turks first proposed that a conference should be held for the purpose of revising the Straits Convention of Lausanne they made it clear that their only object was to secure the right to refortify the Straits, i.e. the abrogation of those clauses of the old convention which provided for their demilitarisation His Majesty's Government took note of this in their reply to the Turkish invitation and it was not until a month later when M Aras put forward his proposals in greater detail at Geneva, that the question was raised of doing more than providing for the simple abrogation of the demilitarisation clauses.

3. On the 11th May M Aras indicated that the Turkish Government regarded it as essential not only that the demilitarisation clauses should be abrogated but that the clauses regulating the passage of warships through the Straits should be drastically revised He explained that the Turkish Government regarded warships as floating fortresses which might by penetrating into the Straits in considerable numbers so seriously threaten Turkish security as to render the refortification of the Straits practically valueless. The Turkish Government therefore intended to propose new regulations for the passage of warships to provide (1) for the security of Turkey herself within the Straits zone and (2) for the security of the Black Sea Powers This distinction between the two objects in view has proved important and should be noted It was pointed out to M Aras at the time that this went considerably beyond the original Turkish proposals but he was told that His Majesty's Government would not wish to raise any insuperable objection in principle to the revision of the warship clauses

although they would need to see detailed Turkish proposals before expressing any final opinion.

4. It had been arranged that these proposals should be brought to London by the Secretary General of the Turkish Ministry for Foreign Affairs, M Numan Menemencioglu, when he paid his promised visit to England at the end of May, but no definite or complete proposals were, in fact, then put forward M Numan discussed a number of suggestions, but in each case made it clear that they were only tentative and subject to consideration of his Government, and while the ground was cleared in the course of M Numan's visit, the position at the beginning of June was that His Majesty's Government were still awaiting a full and definite statement of the Turkish desiderata Certain main features of the proposals had, however emerged, and had formed the subject of preliminary discussion between the Foreign Office and the Admiralty

5. It may be noted that the discussions with M Numan in London were carried out on the basis that only consequential amendments would need to be introduced in the rest of the convention, except as regards the question of the Straits Commission, which the Turkish Government were most anxious to see abolished

6 A preliminary and unofficial telegraphic summary of the Turkish proposals to govern the passage of warships through the Straits was received in the Foreign Office on the 12th June (Angora telegram No 135) but it was immediately followed by further information which indicated that it did not represent the final Turkish views The position therefore was that the United Kingdom delegation arrived at Montreux without any clear and definite Turkish proposals to work on This made it extremely difficult to decide at the outset on the best tactics to pursue The first task therefore of the United Kingdom delegation on their arrival at Montreux on the 21st June was to obtain the text of the Turkish proposals When an advance copy of this text was secured, twenty four hours before the opening meeting of the conference, it was found that the Turks were proposing a redraft of the whole convention involving alterations in practically every portion of it

7 It might perhaps have been possible to wage an initial battle over this question and to press for a revised version of the Turkish proposals in the form merely of amendments to the old convention On the other hand, the basis of the conference was that it had been called to discuss Turkish proposals it had always been recognised that the old convention would have in the end, to be completely rewritten, since, apart from everything else its form was no longer appropriate to present circumstances, and it would have created the worst impression at Montreux where there appeared at that moment to be some hope of reaching a very rapid settlement, if His Majesty's Government had refused to discuss the draft presented to the conference by the Turkish Government, and had caused several days' delay by raising objections at the outset on what was fundamentally a matter of form Nevertheless, the acceptance of the Turkish draft of the 22nd June as a basis for discussion involved the necessity of beginning discussion on a number of commercial and other clauses which it had been hoped at first to be able to avoid and necessarily placed the discussion on ground where Turkey was at first able to assume a defensive, and therefore a somewhat more favourable, position

8 These difficulties were much reduced when, after ten days of preliminary discussion, the United Kingdom delegation were able to present to the conference, on the 4th July a complete revised draft which, while still based on the Turkish draft as modified by subsequent discussion incorporated the main desiderata of His Majesty's Government. This revised draft thenceforward became the text on which the conference worked.

II *Position of Soviet Union*

9 A second and much more serious difficulty arose from the fact that it became apparent almost at the outset of the conference that the attitude of the Government of the Union of Soviet Socialist Republics was likely to play a far more important part in the negotiations than had at first been anticipated

10 When M Aras had discussed his plans for the conference at Geneva in May he had repeatedly insisted that the Soviet Government were in complete

agreement with the Turkish Government, and that the Turkish proposals would meet with no difficulty from that quarter. Moreover, he had emphasised that the basis of all his proposals, both for the actual transit of warships through the Straits and for any new limitations on the entry of foreign warships into the Black Sea, would be strict equality and reciprocity. The regulations for transit through the Straits being designed to safeguard only Turkey's security, would obviously, he explained, have to apply to any Power alike, while the new limitations which he proposed to suggest on entry into the Black Sea would also be designed mainly to safeguard the security of Turkey as a Black Sea Power and would be compensated by corresponding restrictions on the passage of Black Sea warships into the Mediterranean.

11. When, however, the Turkish draft was eventually presented at Montreux on the 22nd June, it was found that the principle of equality and reciprocity had been abandoned in both cases. As regards transit through the Straits, a special exception had been provided for existing Russian capital ships. This, as limited in the original Turkish draft, need not have led to insuperable difficulty. But as regards the much more important question of passage to and out of the Black Sea, while it was proposed that the tonnage of non-Black Sea Powers into the Black Sea should be subjected to severe and rigid limitation, no compensatory restrictions whatever were imposed on Black Sea tonnage coming into the Mediterranean.

12. It now became more and more apparent that M. Aras's statement at Geneva in May that he had reached complete agreement with the Soviet Government was entirely unfounded. Indeed, it seems clear that the long delay which occurred in the presentation of the Turkish proposals was due to disagreement as to their terms between the Turkish and Soviet Governments, that the Turkish Government were obliged to make important concessions to the Soviet Government from the outset, and that M. Aras in particular has been much under M. Litvinov's personal domination, and that there has been practically no point on which the Turks have not been prepared to yield to Russian pressure in the last resort whatever attitude they might previously have adopted in discussions with the other delegations. This subservience of the Turkish delegation to the Soviet delegation has been one of the greatest difficulties with which the United Kingdom delegation has had to contend throughout the conference.

13. On the other hand, it must be remembered that Russia was not a party to the Lausanne Convention. A Soviet representative had indeed affixed his belated signature to that instrument but the Soviet Government had always objected to its terms and eventually refused to ratify it. Soviet Russia was therefore not bound by the Lausanne Convention and could at any time have disregarded it, and she was in the strong position of coming into the present negotiations as a new party. The fact that she has now agreed to accept the new convention thus marks a considerable advance on the position she has hitherto adopted.

III.—*Freedom of the Black Sea in Time of Peace*

14. The consideration uppermost in the minds of the United Kingdom delegation at the beginning of the conference was the maintenance of the principle of the free and international character of the Black Sea and the access thereto. It will be remembered that in the Lausanne Convention this principle was safeguarded and that no limit was imposed on the non-Black Sea naval forces which might enter the Black Sea other than the very reasonable restriction that no one Power should be allowed to send in a force greater than the strongest Black Sea force. The fact that this freedom was thus guaranteed no doubt did much to secure the general acceptance of the Lausanne Convention by the contracting Powers and to prevent awkward questions arising as to how far such Powers were bound by its terms.

15. In the Turkish draft of the 22nd June, nothing was said about the maintenance of the principle of the freedom of the Black Sea, rigid limitations (with no corresponding limitation on Black Sea tonnage entering the Mediterranean) were imposed on non-Black Sea tonnage entering the Black Sea, and no provision existed to establish any relationship between non-Black Sea forces entering the Black Sea and the size of the strongest Black Sea fleet. Apart from the fact that this appeared completely to vitiate the principle of the free and international character of the Black Sea in peace time, to which His Majesty's Government had always attached great importance, the United Kingdom delegation came to the conclusion that the complete abolition of any relationship between the rights, or sizes, of the Black Sea and the non-Black Sea forces in the Black Sea would have the effect of making the Black Sea into a Russian lake and of giving Russia such effective protection and predominance in its waters as to furnish her with a strong inducement to transfer her principal naval building yards and bases thither.

16. The United Kingdom delegation therefore at first attempted, though with little hope of success and mainly for bargaining reasons, to induce the Turks to revert to their original proposal for the imposition on Black Sea forces entering the Mediterranean of a limitation corresponding in some measure to the very severe limitations they desired to impose on non-Black Sea forces entering the Black Sea. It soon became clear, however, that there was no hope of reaching agreement on these lines, and the United Kingdom delegation therefore decided to concentrate on trying to secure a mitigation of the restrictions proposed on non-Black Sea forces entering the Black Sea, and the establishment of some ratio between those forces and the strength of the strongest Black Sea fleet corresponding to some extent to the provisions on this point of the Lausanne Convention.

17. The discussions on this question were of the limitation to be imposed on non-Black Sea forces entering the Black Sea in peace time occupied the greater part of the first week of the conference, and ultimately resulted in the agreement provisionally reached at Geneva on the 28th June, subject to a final settlement at the conference, as set out in paragraph 3 of the Annex to the Protocol. This agreement was the result of a conversation on the 27th June between the Secretary of State and M. Litvinov, which had, during the week-end, been preceded by long discussions between the United Kingdom delegation and the Soviet delegation. The latter had originally insisted that the total tonnage allowed to non-Black Sea Powers in the Black Sea might be increased up to a maximum of 45,000 tons *pari passu* with any increase in the strength of the strongest Black Sea fleet (these figures being subject to revision every five years).

IV.—*Transit Through the Straits in Time of Peace*

18. As indicated in paragraph 10 above, the original Turkish proposal was that the new regulations to govern the actual transit of foreign warships through the Straits should be of universal application. In the Turkish draft of the 22nd June an exception was made in favour of Russia by which she should be allowed to take through the Straits one unit of up to 25,000 tons provided it was a unit of her existing fleet and provided it passed through in isolation. The Russians raised strong objection to these limitations and after long negotiations, the course of which it is unnecessary to describe here, it was eventually agreed by all the parties concerned and subject to the general condition that a satisfactory settlement was reached on other more important outstanding points that a special exception might be made to allow Russia to pass large units of unlimited tonnage through the Straits, to be escorted in each case by not more than two destroyers, in order that she might be able to transfer such units freely between the Baltic and the Black Sea. Discussion also took place regarding the proposed total prohibition of the passage of submarines in peace time. This was eventually covered by the proviso restricting passage normally to "light surface vessels" but special provision was made to enable the Black Sea Powers to pass submarines through the Straits in cases of purchase, construction or necessity for repairs. Much discussion also took place on the question of the total limit of tonnage to be allowed within the Straits at any one time which had been fixed at 15,000 tons), the Turks strongly resisting the United Kingdom proposal that this tonnage, which is admittedly based on half the tonnage of the present Turkish fleet, should be automatically increased in the event of an increase in the Turkish fleet. It was agreed that the provision for the revision of tonnage figures every five years would be sufficient to meet this eventuality. There was also much discussion on the question of periods of notice, exceptions (visits of courtesy, delays caused by weather or accident, &c.). None of these points however were of major importance, though they involved a great deal of negotiation and it is not necessary to enter into them in any detail in the present summary.

V — *War Time Turkey Being a Belligerent*

19 The question of the passage of warships through the Straits, and int or out of the Black Sea, in time of war when Turkey is a belligerent led to no difficulty It had been recognised from the first that once Turkey secured the right to refortify the Straits she would in fact be able to control such passa absolutely so that no fleet would be able to pass through the Straits except h her permission The relevant article on this point (article 8) of the Turkish draft of the 22nd June was therefore reproduced with minor drafting amendmen only, as article 17 of the United Kingdom draft and has now been adopted article 20 of the new convention

VI — *Menace of War*

20 It had been agreed from the first in the preliminary discussions in Mo with M Aras and M Numan that special provision would have to be made for cases where, although war had not actually broken out Turkey considered h security endangered by what might be described as an imminent menace of war such as the situation which existed in the Mediterranean in September an October 1936 No serious difficulty arose over this aspect of the position except in the Turkish proposals (article 9 of the Turkish draft of 22nd June and article 21 of the redraft submitted by the Turkish delegation with a view to meeting Soviet proposals) the United Kingdom delegation to prevent the risk Turkey being able to close the Straits against the will of Russia A good deal of trouble was over the drafting of this article Japan intervened with this article in view of its reference to the Council of the League but this difficulty was eventually overcome by drafting amendments

VII — *War Time Turkey being Neutral*

21 While the above questions were being discussed another aspect of the matter was developing a growing importance That of the regulations to govern the situation as regard to the passage of warships through the Straits and to the Black Sea in time of war Turkey being neutral This question in the time assumed such proportions that it threatened to wreck the whole conference and it may be well therefore to summarise the course of the negotiations in regard to it in somewhat greater detail

22 It may however be noted at the outset that it seems improbable that in any major war in which a Black Sea State is a belligerent and in which any important British interest is involved Turkey would in fact remain neutral even if she could so there might well be difficulties in passing a belligerent fleet through the Straits to operate in the Black Sea once the Straits have been effectively fortified unless very complete guarantees were first obtainable as to Turkey's political attitude It is doubtful whether such guarantees would be adequate unless they amounted to something very like a promise on the part of Turkey to enter the war on our side The Admiralty have nevertheless been extremely anxious to secure the retention of as much as possible of those provisions of the Lausanne Convention which laid down that in such circumstances the Straits should be open, and that nothing should be done to interfer with the exercise of full belligerent rights by all belligerents

23 The article (article 7) on this point in the Turkish draft of the 22nd June is given in Annex A It provided that in time of war, Turkey bein neutral pe[illegible] tare regulations and limitations should apply to all warship whether belligerent or not Before this article had been discussed the Soviet delegation proposed an amendment (Annex B) which would have had the effe of closing the Straits to all Black Sea belligerents but of leaving complete freedom of passage to a belligerent Black Sea fleet This remarkable propos was obviously entirely unacceptable but it was in harmony with the demand which the Soviet delegation have pressed throughout the conference for protection for the Black Sea Powers (i e for Russia) in every point

24 Meanwhile a more constructive discussion which appeared likely [illegible] a satisfactory solution for which it was hoped [illegible] provide for the position of Turkey as a neutral in a war involving a Black Sea Power It had already been agreed and provided for both in the Turkish dr (or the basis of article 7 Annex A) and in the United Kingdom redraft (a

[illegible]arate article No 23, Annex C), that there must be an overriding provision [illegible]guarding the rights and obligations of the signatory Powers under the [illegible]venant of the League This would have enabled a neutral Turkey to [illegible]riminate between two belligerents in accordance with a decision of the League [illegible] the event of hostilities arising out of article 16 of the Covenant But the [illegible]ch Russians and Roumanians wished to go further, and to include an [illegible]rriding provision binding Turkey in the event of a war in which she was [illegible]utral to discriminate in favour of a belligerent acting under a pact such as [illegible] Franco-Soviet or Franco Roumanian Pact in advance or independently, of [illegible]vision by the Council of the League The text of this proposal was embodied [illegible]he Soviet redraft given at Annex E of article 23 of the United Kingdom [illegible]ft (see Annex C) Such an arrangement even if it had been practicable [illegible]d have been open to the gravest objections By enabling Turkey to [illegible]riminate between two belligerents in cases where she was under no direct [illegible]al obligation of her own to go to it would have run counter to the accepted [illegible]ples of international law and made it most difficult to obtain the acceptance the convention by the signatory Powers But by linking Turkey to give [illegible]ve support to such pacts as the Franco-Soviet and Franco-Roumanian Pacts, [illegible]would have produced a result unusual in conventions that the conven[illegible] was merely a [illegible]rument of the alleged French policy of encirclement, and [illegible]ve every reason to believe that it would thus have led Germany to denounce [illegible]Anglo-German Naval Agreement with serious and far-reaching consequences [illegible]s difficult to see how the proposal could have operated in practice [illegible]t Turkey were too seriously debilitated by belligerents in the manner proposed [illegible]would almost certainly have involved herself in the hostilities and herself [illegible]ome a fighting front on which case the provisions for war time with Turkey as [illegible]ubject to [illegible]ecy (paragraph 19) would apply

25 Before the two issues had become separated it had been agreed that [illegible]ery ought in any case, even if the Straits were to be normally left open to all [illegible]gerents to be given the right to close them to belligerents if she felt her own [illegible]urity menaced A redraft of the relevant article of the convention intended [illegible]o meet the Turkish views on this point is given as near effect as possible [illegible]the meeting the Turkish views was accordingly prepared by the United Kingdom [illegible]dmiralty views was accordingly prepared by the United Kingdom [illegible]gation and provisionally accepted by the Turkish delegation on the 8th July [illegible]This redraft which has formed the subject of much subsequent discussion, is [illegible]ven at Annex D It is important to note that this proposal would in fact, [illegible]ve left Turkey practically complete discretion to close the Straits to all [illegible]belligerents even at the outset of a war On the other hand the Turkish [illegible]legation almost at once possibly at the suggestion of the Russians began to [illegible]show increasing uneasiness at the responsibility which this would place on the [illegible]Turkish Government and a growing inclination to fall back on a specific [illegible]ision for complete closure It may be added that the possibility of such a [illegible]vision had formed the subject of some discussion on previous occasions and [illegible]had, indeed been tentatively put forward by M Litvinov in a discussion [illegible]Geneva on the 4th July at which the Secretary of State was present

26 On the 8th July the day after the United Kingdom had circulated their [illegible]ised article the Soviet delegation circulated a further amendment (Annex E) [illegible]formally proposing that in case of war, Turkey being neutral the Straits should [illegible]definitely closed to both belligerents unless some overriding provision took [illegible]effect This amendment marked a great advance on the line taken in the original [illegible]Soviet amendment (Annex B) since it did admit and recognise the principle of [illegible]reciprocity and claimed no special privilege for Black Sea States as such But [illegible]before it could be seriously considered on its merits, the Soviet delegation [illegible]circulated a further amendment (see Annex F) to the United Kingdom draft [illegible]article regarding the overriding obligations of Turkey (Annex C), designed to [illegible]give the fullest possible effect to the proposals discussed in paragraph 24 above, [illegible]the Russian French and Roumanian delegations for enabling Turkey to [illegible]discriminate between belligerents acting under the Franco-Soviet and Franco [illegible]Roumanian Pacts

27 The position now therefore was that there were two distinct but [illegible]connected questions before the conference (a) Whether in time of war [illegible]Turkey being neutral it should be provided as in the United Kingdom draft (Annex D) that the Straits should be open to both belligerents unless and until [illegible]they were closed by Turkey to both or one belligerent or whether it should be

provided (as in the second Russian draft, Annex E) that they should be closed until they were opened by Turkey to one belligerent, and (*b*) on what conditions Turkey should be entitled to discriminate between the two belligerents.

28. It eventually became apparent not only that it would be practically impossible in any case to obtain the Admiralty desiderata but that the only hope of obtaining satisfactory conditions on the second issue, i.e., that of the part lay in accepting the proposal that the Straits should be closed unless and until they were opened. Had the United Kingdom delegation insisted on its own proposal, that the Straits should be open until they were closed, no satisfactory could have been obtained in regard to the parts and the conference would undoubtedly have broken down.

29. The turning point of the conference was when on the 15th July Cabinet authority was received to agree to the proposal that the Straits should be closed unless and until they were opened, on condition that a satisfactory agreement could be reached on other points. This meant that the Russian proposal for the closure of the Straits in time of war, Turkey being neutral, could be accepted, and that, in return, the United Kingdom delegation were able to secure, although with considerable difficulty, a redraft of the overriding clause under which Turkey should only be bound to discriminate between belligerents in virtue either of the operation of the Covenant of the League or of a treaty engagement to which she herself was a party. This excludes the operation of the Franco-Soviet and Franco-Roumanian Pacts unless Turkey becomes a party thereto, in which event Turkey would presumably become a belligerent in any case, so that the question would lose much of its practical importance. With the settlement of this issue the conference entered into a new and final phase, and no further serious difficulties arose.

VIII. *Commercial Clauses*

30. The commercial clauses of the convention had already formed the subject of long and arduous discussion, and largely owing to the energy and perseverance of Captain Macdonald provisions were eventually adopted which are on the whole, considerably more favourable than those of the Convention of Lausanne. It is true that in the last stages of the conference the United Kingdom delegation accepted the abolition of the Straits Commission. It had been anticipated from the first, however, that this point would have to be conceded, and since the commission was in fact little more than a statistical bureau, no serious inconvenience is likely to result from its suppression. Moreover, in return for the abandonment of the commission, the United Kingdom delegation succeeded in obtaining a new article (article 24 of final text) which they had themselves prepared by which the Turkish Government undertook to furnish all the information previously supplied by the Straits Commission together with a good deal of additional information which may prove of considerable importance. This part of the new convention, which is in many ways the most important, can be regarded as entirely satisfactory.

IX. *Air*

31. Considerable difficulty was experienced over this aspect of the question. It had been agreed that it would be unreasonable to expect the Turks to allow the free passage of aircraft over the zones which were now to become fortified. On the other hand, the Lausanne Convention provided for free passage by air between the Mediterranean and the Black Sea, and it was reasonable to contend that if the established route over the Straits were now to be barred another route should be indicated over which transit should be equally free. The French delegation were also most anxious to secure a provision establishing the principle that the newly fortified zone should not constitute a barrier to normal passage by air between Europe and Asia. After much negotiation, and largely owing to the skill and persistence of Wing-Commander Payne, a draft article (article 23 of the final text) was agreed upon which appeared fully to safeguard the position and which I understand is regarded as entirely satisfactory.

X. *British Rights and Property in Straits Zone*

32. It had originally been the intention of the United Kingdom delegation to try to obtain an exchange of notes specifically safeguarding the property and

rights of British subjects and British protected persons in the zones about to be fortified. Unexpected difficulties were encountered on this question, however, as the Turkish delegation pointed out that it was impossible for them to give any undertaking which would override ordinary Turkish legislation, and insisted that the rights in question were already fully protected by the relevant provisions of the Anglo-Turkish Commercial Treaty of 1930 and the protocol attached thereto. It was eventually agreed, after long discussion, that the point would be differently met if the head of the United Kingdom delegation were to address a letter to the Turkish delegation asking for specific information and assurances on the various issues involved, and to receive a reply from M. Numan Menemencioglu as the Secretary General of the Turkish Foreign Office, giving him the necessary explanations in agreed terms. These texts were duly agreed upon, and the letters will be exchanged on the 20th July.

XI. *Position of Italy*

33. The question of the participation of Italy in the new arrangements is one of considerable difficulty, but of mainly juridical importance. In fact, the arrangements which have been devised on this point seem as satisfactory as it is possible to get in the circumstances, and there seems no need to take the abstention of Italy from the conference too tragically.

XII. *War Graves*

34. Finally, an extremely satisfactory declaration from the Turkish delegation was eventually obtained and incorporated in an exchange of notes, reaffirming the full legal maintenance of the Treaty of Peace of Lausanne, and in particular guaranteeing the maintenance of those provisions of that treaty which deal with the question of war graves irrespective of any changes which may be introduced in the Straits zone in virtue of the new Straits Convention. This declaration,(1) which was extremely well received, should have a reassuring effect on public opinion in England and in the Dominions.

Conclusion

35. Altogether I think it may be said that the conference has been unexpectedly successful and that the new convention which we are about to sign is a much more satisfactory document than we at first seemed at all likely to be able to secure.

I have, &c.
G. W. RENDEL.

Annex A

C.M./1

Montreux, le 22 juin 1936.

CONFÉRENCE DE MONTREUX

Projet de Convention concernant le Régime des Détroits, proposé par le Gouvernement de la République turque en vue de remplacer la Convention concernant le Régime des Détroits signée à Lausanne le 24 Juillet 1923.

* * * * * *

ARTICLE 7.

En temps de guerre la Turquie étant neutre, les bâtiments de guerre et les navires auxiliaires jouiront en libre passage dans les Détroits aux conditions prévues dans l'article précédent.

(1) See No. 13.

Il sera interdit aux bâtiments de guerre des belligérants de procéder à aucune capture, d exercer le droit de visite et de se livrer a aucun acte d'hostilité dans les Détroits.

Il est toutefois bien entendu que la liberté de passage mentionnée a l alinéa 1er du présent article sera conditionnée par les engagements qui découlent d: Pacte pour la Turquie comme membre de la Société des Nations

* * * * * *

Annex B

C M 4

Montreux, le 24 juin 1936.

Conférence de Montreux

Amendement propose par la Delegation de l Union des Republiques sovietiques socialistes a l'Article 7 du Projet de Convention soumis par la Delegation turque (Document C M 1)

Rédiger cet article comme suit

" En temps de guerre, aucun des états riverains de la mer Noire n'étant belligérant, les bâtiments de guerre et les navires auxiliaires jouiront du libre passage dans les Détroits aux conditions prévues dans les articles précédents de la présente section. Toutefois il sera interdit de passer a travers les Détroits dans la mer Noire a tout bâtiment de guerre des Puissances belligérantes.

" Lorsqu un Etat riverain de la mer Noire autre que la Turquie sera belligérant le passage a travers les Détroits vers la mer Noire sera interdit a tous bâtiments de guerre des Puissances non riveraines.

" Les dispositions du présent article ne pourront en aucun cas porter aucun préjudice au passage des bâtiments de guerre en exécution d'engagements d'assistance découlant du Pacte de la Société des Nations et d'accords conclus dans le cadre de ce Pacte ni au passage a travers les Détroits des bâtiments de guerre de l'Etat auquel cette assistance sera due "

Annex C.

C M /5

Montreux, le 4 juillet 1936

Conférence de Montreux

Nouvelle Version établie le 4 Juillet 1936 par la Délégation du Royaume Uni du Projet de Convention turc soumis le 22 Juin

* * * * * *

Article 23

Aucune disposition de la présente convention ne porte atteinte aux droits et obligations découlant du Pacte de la Société des Nations pour la Turquie ou pour toute autre haute partie contractante

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Annex D

C.M /9

Montreux, le 7 juillet 1936

Conférence de Montreux.

Projet de Convention concernant le Régime des Détroits en vue de remplacer la Convention signée à Lausanne le 24 Juillet 1923.

Nouvelle Rédaction de l'Article 16 (*Document C M* 6) *proposée par la Délégation du Royaume Uni*

En temps de guerre, la Turquie restant neutre, les navires de guerre et les bâtiments auxiliaires jouiront d'une complète liberté de transit et de navigation dans les Détroits dans des conditions identiques à celles qui sont stipulées aux articles 9 à 15.

Ces conditions ne seront toutefois pas applicables à une Puissance belligérante au bâtiment de ses droits de belligérant.

La Turquie aura toutefois le droit si elle considère à un moment donné que sa sécurité pourrait être menacée par le passage par les Détroits d'une flotte belligérante d'interdire ce passage de navires appartenant à une Puissance belligérante à condition que cette interdiction soit appliquée à toute flotte belligérante sans discrimination.

En temps de guerre aucun des Puissances riveraines de la mer Noire n'étant belligérante le passage des Détroits sera interdit à tout bâtiment de guerre appartenant à une Puissance belligérante.

Dans le cas où l'interdiction de passage, prévue aux deux alinéas précédents du présent article aurait été mise en vigueur il sera permis à tout bâtiment de guerre appartenant à une Puissance belligérante non riveraine de la mer Noire, et qui se trouverait exceptionnellement dans cette mer de se rendre dans la Méditerranée.

Dans les conditions susmentionnées il sera également permis à tout bâtiment de guerre appartenant à une Puissance riveraine de la mer Noire de rentrer dans cette mer.

Les navires de guerre des belligérants ne procéderont à aucune capture, ils n'exerceront pas le droit de visite et de fouille et ne se livreront à aucun acte hostile dans les Détroits.

En ce qui concerne le ravitaillement et les réparations, les navires de guerre seront soumis aux dispositions de la Convention XIII de La Haye de 1907 relative à la neutralité maritime.

Les droits et devoirs de la Turquie, comme Puissance neutre ne sauraient l'autoriser à prendre aucune mesure susceptible d'entraver le transit et la navigation dans les Détroits, dont les eaux doivent rester entièrement libres en temps de guerre, la Turquie étant neutre aussi bien qu'en temps de paix.

Annex F

C M /10

Montreux, le 8 juillet 1936

Conférence de Montreux.

Projet de Convention concernant le Régime des Détroits en vue de remplacer la Convention signée a Lausanne le 24 Juillet 1923.

Article 16

Amendements proposés par la Delegation de l U R S S

Remplacer les 2ème, 3ème et 4ème alinéas par le texte suivant

" Toutefois il sera interdit de passer à travers les Détroits aux bâtiments de guerre et navires auxiliaires de tout Etat belligérant sauf dans les cas visés à l'article 23."

Annex F

CM 1

Montreux, le 9 juillet 1936

CONFÉRENCE DE MONTREUX

Projet de Convention concernant le Régime des Détroits en vue de remplacer la Convention signée a Lausanne le 24 Juillet 1923

ARTICLE 23.

Nouvelle Rédaction proposée par la Délégation de l'U R S S

Les dispositions de la présente convention ne pouvant porter atteinte aux droits et obligations découlant du Pacte de la Société des Nations pour les hautes parties contractantes membres de la Société ou restreindre d'une façon quelconque la mission de celle-ci de sauvegarder efficacement la sécurité des nations il est entendu que l'effet des dites dispositions et notamment de celles des articles 5 et 8 à 16 ne sera pas de limiter en quoi que ce soit la mise en œuvre éventuelle des mesures prévues par le Pacte à l'égard d'un Etat agresseur ni d'entraver le passage par les Détroits des bâtiments de guerre en exécution d'engagements d'assistance assumés ou pouvant être assumés à l'avenir par tels Etats signataires de la présente convention aux termes des accords supplémentaires au Pacte ainsi que le passage des bâtiments de l'Etat auquel cette assistance serait due

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[E 4634 26/44] No 15

United Kingdom Delegation to Foreign Office (Received July 21)

(No 46)

THE secretary of the United Kingdom delegation to the Montreux Conference presents his compliments to the Under Secretary of State for Foreign Affairs, and has the honour to enclose an exchange of notes with the Turkish delegation regarding the position of war graves under the new Straits Convention

Montreux July 20, 1936

Enclosure in No 15

Exchange of Notes

(1)

M Aras to Lord Stanley

Délégation de la République turque,
Montreux, le 18 *juillet* 1936

Mon cher Lord Stanley

VOUS m'avez dit l'autre jour que l'opinion publique anglaise avait quelque appréhension au sujet du sort réservé, après la conclusion de la Convention de Détroits aux cimetières militaires de la presqu'île de Gallipoli

Par une déclaration faite spontanément en séance privée aujourd'hui, j'ai fait connaître à cet égard la politique du Gouvernement de la République

Je suis heureux de vous transcrire ci-après les termes de la susdite déclaration

> On a manifesté quelques inquiétudes au sujet des rapports existant entre la convention que nous allons signer et le Traité de Paix de Lausanne Pour dissiper tous malentendus, la délégation turque fait la déclaration suivante qu'elle vous prie de faire consigner dans le procès verbal
>
> "L'article 23 du Traité de Lausanne a trouvé son application dans la convention que nous avons élaborée D'autre part il va de soi que la Turquie

> continuera comme par le passé à être liée par ledit Traité de Lausanne et fera intégralement honneur à ses engagements, nonobstant les changements à intervenir, par la convention, dans le régime des Détroits. Par exemple, les mêmes facilités que par le passé en ce qui concerne l'entretien, la surveillance et les visites des cimetières et l'application de l'article 124 seront évidemment maintenues par le Gouvernement turc"

Je vous prie, &c
T R. ARAS

(2)

Lord Stanley to M Aras

United Kingdom Delegation
Montreux, July 20, 1936.

My dear Dr Aras.

In reply to your letter of the 18th July 1936, concerning the desire felt in certain quarters for a reassurance with regard to the situation of the war graves on the Gallipoli Peninsula following the conclusion of the convention which we are about to sign relating to the régime of the Straits I am happy to thank you sincerely for the declaration which you made in the private plenary session of the conference on the 18th July in the following terms

> "Some uneasiness has been expressed regarding the relationship between the convention which we are about to sign and the Treaty of Peace of Lausanne In order to dispel any possible misunderstanding the Turkish delegation make the following declaration and they ask that it may be recorded in the *procès verbal*
>
> "'Article 23 of the Treaty of Lausanne has found its application in the convention which we have elaborated It goes without saying however that Turkey will continue as in the past to be bound by the said Treaty of Lausanne, and will fully honour her obligations notwithstanding any changes which may be brought about in the régime of the Straits by the convention For example the Turkish Government will continue to maintain the same facilities as in the past in regard to the upkeep and supervision of, and to visits to, the cemeteries, and in regard to the application of article 124 of the Treaty of Lausanne"

Believe me, &c.
STANLEY

E 4635/26/44] No 16.

United Kingdom Delegation (Montreux) to Foreign Office.—(Received July 21.)

No 47)

THE secretary to the United Kingdom delegation to the Montreux Conference presents his compliments to the Under-Secretary of State for Foreign Affairs and has the honour to enclose an exchange of notes between Lord Stanley and M Menemencioglu on the 20th July, respecting the property of British subjects in the zones which may become fortified under the new convention.

Montreux, July 20. 1936

Enclosure 1 in No. 16

Lord Stanley to M. Menemençioğlu

United Kingdom Delegation,
Montreux, July 20, 1936

My dear Ambassador,

IN view of the changes which are likely to be brought about in the situation in the zone of the Straits as a result of the convention which we are now about to sign, some uneasiness has been expressed as to the effect which these changes may have on the position of British subjects and of the nationals of territories under British mandate or protection, who own property in what may now become a fortified zone. I shall therefore be grateful if you will be so good as to let me have replies to the following specific questions:

1. If the Turkish Government should find it necessary to expropriate any property belonging to the above mentioned persons, how will the rights of such persons be safeguarded, more particularly as regards obtaining just compensation equivalent to the value of the property to be expropriated?

2. If any property belonging to such persons is expropriated, what facilities could be given to enable the former owners, if they so desire, to transfer into foreign currency the sums they will have received in Turkish currency as compensation for the loss of their property?

3. If it is found necessary, while not actually expropriating it, to include the property of any such persons in a zone subject to restrictions, can any assurance be given that the owners of such property will nevertheless be allowed to reside in it and to have free access thereto?

Believe me, &c.
STANLEY

Enclosure 2 in No. 16

M. Menemençioğlu to Lord Stanley

Délégation de la République Turque,
Montreux, le 20 juillet 1936

Mon cher Lord Stanley,

J'AI reçu votre aimable lettre. Les renseignements que vous trouverez ci-dessous vous donneront, je l'espère, entière satisfaction.

1. Nous avons avec le Royaume-Uni une convention d'établissement, aux termes de laquelle pour toute expropriation les ressortissants de chacune des parties sur le territoire de l'autre jouissent de ce qu'on appelle du traitement national.

Or en Turquie le traitement national ne peut en aucun cas être moins favorable que le traitement de la nation la plus favorisée et dans d'autres traités comme par exemple celui avec la Pologne, il est spécifié que l'expropriation ne peut se faire qu'en vertu d'une disposition légale, à la suite d'une publication et moyennant une juste indemnité préalables.

2. Le transfert des fonds est soumis en Turquie à certaines règles cadrant avec nos disponibilités en devises libres.

Toutefois, dans les cas particuliers mentionnés par vous, le Ministère des Affaires étrangères ne manquera pas de solliciter du Ministère des Finances les facilités les plus larges qui peuvent être compatibles avec les lois et règlements en vigueur.

3. En ce qui concerne la zone à laquelle vous faites allusion, il ressort de nos dispositions légales que lorsqu'une expropriation n'est pas jugée nécessaire par les autorités militaires, les étrangers actuellement propriétaires peuvent bénéficier du libre accès à leurs propriétés et du droit d'y séjourner dans le cadre des lois en vigueur.

Veuillez, &c.
L'Ambassadeur de Turquie Secrétaire-général du Ministère des Affaires étrangères
N. MENEMENCIOGLU

E 5074/26/44] No. 17

Narrative of the Negotiations at the Conference held at Montreux in June and July 1936 to consider the Amendment of the Convention signed at Lausanne on July 24, 1923, relating to the Régime of the Straits (Communicated by the Admiralty July 22 1936)

THE principle underlying the Lausanne Convention of 1923 was freedom of passage and navigation by sea and air in the Dardanelles, Bosphorus and Sea of Marmara, known collectively as the Straits. Turkey was accordingly required to refrain from fortifying or garrisoning the Straits, and her security in this area was guaranteed by France, Great Britain, Italy and Japan. The limitations on shipping passing through the Straits were confined to little more than that commercial shipping should pay dues to the Turkish authorities for any services actually rendered, and that the maximum naval force sent into the Black Sea by any one non-Black Sea Power should not exceed the most powerful Black Sea fleet there at the time, though a minimum force not exceeding three vessels of 10,000 tons each could always be sent in, even in time of war Turkey was not given the right to stop belligerent ships in the Straits unless they belonged to a Power actually at war with herself. An International Straits Commission was established to oversee the execution of the terms of the convention.

2. On the 11th April 1936 the Turkish Ambassador in London handed in a note to the Secretary of State for Foreign Affairs expressing the desire of the Turkish Government to secure the revision of the Lausanne Convention and suggesting that a conference of the interested parties should be held to consider this. The main desideratum of the Turkish Government was to obtain the right to refortify the Straits on the ground that the guarantee of protection contained in article 18 of the convention, which had been given to the Turks in consideration of their agreement to the demilitarisation of the Straits, was no longer of any value in present conditions. The matter had already been considered by the Chiefs of Staff Sub-Committee, who had agreed that the balance of advantage from the point of view of British interests would be in allowing the Turks the right they desired. Accordingly the Secretary of State replied to the Turkish Ambassador on the 16th April informing him that for their part His Majesty's Government in the United Kingdom would gladly agree to a conference of the interested Powers to be held at a place and date convenient to all concerned, he added that he understood that the only parts of the convention which the Turks desired to modify were the so-called demilitarisation clauses.

3. The whole question was informally discussed with M. Aras, the Turkish Minister for Foreign Affairs, at Geneva during the Council meeting of the League in May, and with M. Numan Menemençioglu, the Secretary General of the Turkish Ministry for Foreign Affairs, during the latter's visit to England at the end of that month, and as a result, M. Aras on the 29th May addressed a formal invitation to His Majesty's Government in the United Kingdom to send representatives to a conference to be held at Montreux on the 22nd June. The invitation was accepted, and a delegation from the United Kingdom, led by Lord Stanhope and including the necessary experts, left for Montreux on the 20th June.

4. From the purely political point of view, the United Kingdom had the strongest interest in developing and strengthening the friendly relations existing between Turkey and itself and in responding to her recent advances in this direction. It also seemed important on general grounds to make clear to the world that treaty revision by agreement can pay as well as, or better than, unilateral repudiation. Lastly, as indicated above, the balance of strategic advantage for British interests lay in refortification of the Straits. It was therefore considered important from every point of view to grant Turkey this concession which could not in any case be resisted, as generously and as completely as possible from the outset.

5. But the Turks had also indicated by this time that they intended to press for the revision of the clauses of the convention dealing with the passage of warships through the Straits. Their original intention was to require that

no warship should pass at any time without Turkish authorisation and it might have been held that by readily granting this concession too the United Kingdom would have strengthened its political position with Turkey and at the same time have only been bowing to the physical facts of the situation viz, that once the Straits were fortified the Turkish Government would be in a position to permit or prohibit the passage of warships at its discretion. The Admiralty however in the course of unofficial talks with the Foreign Office raised strong objections to this, mainly on the ground of general principle that there should be as far as possible freedom of passage through international waterways but that if it was necessary to regulate such passage such regulation should be by international agreement the right of authorisation of passage not lying with the Power controlling the waterway. They contended that unless the right of passage was regulated by international agreement a dangerous precedent would be created while the Power holding the waterway would itself be put in an embarrassing position, as it would not be able either to permit or to prohibit the passage of the warships of any one Power without treating its international responsibilities engaged and without embroiling itself with other Powers. Apart from this question of principle the Admiralty were anxious to ensure that the regulations for passage should be such that should forces wish to use they would not under the Lausanne Convention be debarred from passing through the Straits into the Black Sea to a force equal to that of the strongest navy of that sea and thus in a position to exercise effective sea power. From the conversations with M. Numan on the 16th June it was somewhat difficult to think that the Turkish Government would be prepared to consider detailed regulations, settled by international agreement as an alternative to discretionary power to prohibit or to permit the passage of warships. The Admiralty put forward this point of view in a letter to the Foreign Office dated the 16th June. After an outline of the Turkish proposals for the conference had been received a few days before from Angora it was felt that in the meantime Turkey being neutral any limitation on the number of warships allowed to pass through the Straits should not be applicable to any belligerent Power to the prejudice of its belligerent rights in the Black Sea. Although it was realised that the regulations to passage might have to be very elaborate and meet with opposition from other Powers the United Kingdom delegation went to Montreux under instructions to aim at an agreement on the lines set out in this letter.

6. Meanwhile the Turks had apparently been having considerable difficulties with the Russians and when the Turkish draft for the new convention was received at Montreux, the proposals contained in it were found to differ in important respects from those hitherto received chiefly in regard to proposed regulations for passage of warships which were now much more stringent and made a differentiation between non Black Sea Powers and Black Sea Powers. this represented an attempt to meet the Russian point of view. Interviews on the 22nd June with the Japanese Yugoslav and French delegates gave the impression that the question was assuming an increasingly Anglo Russian character and that the United Kingdom would have to make the utmost possible concessions to the Turks in all points of detail if their co operation was to be secured in preventing Russia having things her own way. The French delegate in particular seemed most unlikely to oppose the Russians on any point whatever.

7. M. Litvinov got the same impression for the next evening after the conference had accepted the Turkish draft as a basis of discussion and begun to examine it article by article he told Lord Stanhope that a report was gaining ground of an Anglo Russian difference which he was most anxious to avoid. When the proposed differential treatment was suggested to him as the cause of this report he produced the usual arguments about the Black Sea being a *mare clausum*, and said that if forces were required for rendering assistance in the Black Sea against an aggressor State this could be provided for in an article about mutual assistance within the framework of the League apart from this navy forces could only desire to enter for aggressive purposes. In reply he was told that the two alternatives His Majesty's Government might consider were complete freedom of entry and egress for all States qualified or limited entry and egress controlled by a sliding yardstick which could be devised.

8. The United Kingdom delegation were by this time coming to the conclusion that agreement on the lines of the latter alternative was likely to be

more practicable, and this was borne out by an interview with M. Numan on the 26th June, after the conference had completed its first reading of the Turkish draft and suspended its plenary sessions in order to allow some of the delegates to attend the League Assembly at Geneva. In this interview M. Numan said that he realised it might be difficult to restrict egress from and entry into the Black Sea for Black Sea Powers on exactly the same basis as for non Black Sea Powers, but Turkey certainly did not want what the Russians were now aiming at, severe limitation on non Black Sea Powers and complete freedom for herself to send unlimited forces through the Straits including units up to 25,000 tons. The Turks did not want to be doorkeepers to a Russian lake in which Russia could organise a powerful fleet either by building or transfers from the Baltic. He therefore suggested that the Black Sea fleets might be effectively limited by a sliding yardstick increasing the non Black Sea tonnage allowed through the Straits parallel with increases in Black Sea fleets. He also said that the Turkish Government would not object to arrangements providing for mutual assistance in execution of a definite decision under the Covenant of the League, but there was no question about the Treaty Russian claim to send each other assistance in advance of any League decision.

9. In view of these developments it seemed to the British delegation that if progress were to be made a revised draft should be presented to the conference, utilising the results already achieved both in open meetings of the conference and of the Drafting Committee and in private conversations. On the principle suggestions which the United Kingdom delegation had made in the course of these conversations. This draft was completed after consultations with the Secretary of State and some of the Foreign Delegates from Montreux (Geneva) on the 3rd and 4th July when Lord Stanhope who had replaced Lord Stanhope as leader of the United Kingdom delegation was present, it was laid before the conference as a revise of the Turkish draft and accepted as a new basis for discussion at a plenary session on the 6th July.

10. The new draft represented considerable concessions by the United Kingdom as had been foreseen, would be essential from early in the conference it accepted a period of not to for ships passing through the Straits and fixed a tonnage of 40,000 tons with a limited period of stay for warships of all non Black Sea countries in the Black Sea although this tonnage might by reason of Black Sea yardstick be increased to 45,000 tons if the Black Sea fleets increased it was a much more stringent limitation than anything in the Lausanne Convention, especially as the Russian Black Sea fleet had a known tonnage of 60,000 tons. It accepted also a "Marmara yardstick" a tonnage about equal to half of the tonnage of the effective Turkish fleet with a minimum of 15,000 tons on warships passing through the Straits at any one time and that this tonnage should not be composed of more than nine units. Other important concessions were prohibition of submarines passing through the Straits absence of any preparation for passage of military aircraft also that if in peace time Turkey considered herself under urgent threat of war, she could close the Straits to belligerents and that in a war with no Black Sea Power engaged, she could also close the Straits to belligerents. The provisions of the convention were also made subject to the rights and duties of Turkey under the Covenant of the League of Nations.

11. In return for these concessions the United Kingdom hoped to obtain application of the principle of freedom of passage through the Straits the continuance of the International Straits Commission application of the "Marmara yardstick" to Black Sea as well as non Black Sea Powers that the conditions limiting passage of warships through the Straits should not apply to belligerents to the prejudice of their belligerent rights and that Turkey being neutral should make no differentiation whatever between belligerents except as required by her League obligations. It seemed at this time as if the exercise of belligerent rights would become the dominant issue in the negotiations.

12. The article about these rights No. 16 was reached by the conference on 5th July and the Soviet delegate proposed to amend the substantial paragraphs of the United Kingdom draft to read. Nevertheless the passage through the Straits shall be prohibited for ships of war and auxiliary vessels of belligerent States except in the cases contemplated in article 23 (article 23 referred to League obligations). The French delegation strongly supported him

In reply, the United Kingdom delegation pointed out that the United Kingdom draft applied, subject only to requirements of Turkish security, of which Turke was the best judge, general principles of international law which could b accepted by all Powers signatories of the convention members of the League not, if serious restrictions on belligerent rights normally enjoyed under inter national law were to be adopted in the present convention non signatories might have a strong grievance against Turkey and her position become embarrassing They also made the point with regard to the Soviet amendment that, while it was the intention of the United Kingdom delegation that the provisions o article 23 should have a general overriding character it was not always possible to obtain clear decisions from the Council of the League and provision must be made for a situation which, from the League point of view, might be obscure therefore seemed most desirable to deal with this point from the aspect of gener international law subject only to the proviso regarding Turkish security rather than on the lines of the Soviet amendment The Turkish delegate although h had previously accepted the United Kingdom draft and had expressed the view in private conversation that total prohibition in time of war would be unsatis factory to Turkey as placing the Black Sea at the mercy of Russia failed to giv the United Kingdom delegation any support and said that subject to confirmatio by his Government he was prepared to accept the Russian amendment The Japanese delegate while supporting the principal arguments advanced by th United Kingdom delegation reserved his attitude

13 The Soviet amendment marked an important change in the Soviet Government's attitude in that for the first time it proposed identic treatmen both for Black Sea and for non Black Sea Powers in time of war and showed that on this important point the Soviet Government were prepared to abandon their previous insistence on differential treatment If it could have been assumed that the League Covenant would in all circumstances work as it was designed to work, the Soviet draft might have been at once acceptable but this assumptio could not be made and the United Kingdom delegation had presented a strong case against the amendment At the same time in view of the abandonment of differential treatment and the general temper of the conference the United Kingdom delegation gave serious consideration to the possibility of accepting th Russian amendment in the view that it might generally facilitate agreement o other matters

14 In a conversation the same evening the French delegates explained that they saw strong objection to the provision in the United Kingdom article 16 about equal treatment of belligerents Turkey had several treaty engagements with the neighbouring Powers involving various obligations of assistance against aggression which while not necessarily placing her in the position of a belligerent might preclude her in spite of her technical neutrality from according identic treatment to both belligerents They pointed out that the United Kingdom delegation had found it necessary by insertion of article 23 explicitly to assert that the present convention did not affect obligations under the Covenant, and, for that reason, unless something was put in here or in article 23 relating to existing pacts to which Turkey was a party it might be held that obligations deriving from these were overridden by the present convention After long discussion M Paul Boncour undertook to produce a redraft of the relevant paragraph of article 16 adding an additional sentence to the effect we desired The French intentions were not however altogether clear

15 In another interview the Black Sea vardatuk was discussed with M Litvinov, who wished to make it less favourable to non Black Sea Powers than provided for in the United Kingdom draft It was also explained to M Litvinov that an amendment which he had proposed for limiting non Black Sea warship passing through the Straits to "light surface vessels" would give Germany certain justification for objecting to the terms of the convention on the grou that it contained a limitative clause directed solely against her "pocket battleships" even if as he suggested the terms would in any case object the convention it was undesirable to give her any obvious justification for so doi M Litvinov agreed to communicate further with his Government on this po but both he and later M Paul Boncour held out little hope that Moscow would recede from its position Finally he raised the point of prior notification the Turkish Government for passage of ships through the Straits, asking that there might be preferential treatment for Black Sea Powers

16 The next day, the 9th July, M Numan told Mr Rendel that he did not think his Government could accept the responsibilities put on it by the Russian amendment Under the United Kingdom draft Turkey had the right, if she felt her security menaced to close the Straits to all belligerents it would be quite another thing for her to be bound, as in the Soviet amendment to take possible forcible action against a Power with whom she had no quarrel and who, not being a signatory of the convention might not regard itself as bound by it He had developed this argument with M Aras and telegraphed it to Angora Mr Rendel reminded him that the United Kingdom delegation had already used all these arguments as much in the interests of Turkey as of anyone else, and regretted that Turkey had not been able to take a more definite line when the point was discussed in the conference M Numan held out hopes that this would be remedied on the next occasion

17 At the plenary meeting of the conference that afternoon article 23 came up and the Soviet delegate tabled an amendment, which was fully discussed Its effect it provided for freedom of passage not only for warships fulfilling their obligations directly under the League Covenant but also for those fulfilling engagements of mutual assistance under supplementary pacts within the framework of the League whether Turkey was a party thereto or not The French delegation warmly supported the Soviet proposal and declared that some such provision in favour of pacts within the framework of the League would be an essential condition of France's signature of the convention The Turkish delegation reserved their right to consider the matter and asked for certain explanations The United Kingdom delegation said that they foresaw various serious difficulties such as certain situations which would put Turkey in the most embarrassing positions The Japanese delegation saw objection to such a wide extension to the United Kingdom draft which vaguely defined obligations, and declared they were unable to accept it M Titulescu then made an impassioned appeal, challenging the right of anyone and particularly of Great Britain to demand that Roumania should forgo the assistance to which she was entitled under the Balkan Pact and the Franco Roumanian Alliance The United Kingdom delegation explained that they must reserve their attitude on the amendment but that they certainly had no intention of interfering in any way with the rights and obligations of others or entries arising out of agreements they had signed The first reading of the United Kingdom draft was then completed and plenary sessions suspended to enable delegations to consult their Governments on the new developments Arrangements were made for the Technical Committee to resume its sittings the next day, and also for the Drafting Committee to start its work

18 The main trend of the conference now seemed to have changed, exercise of belligerent rights was overshadowed by mutual assistance pacts within the framework of the Covenant of the League, a question primarily of naval strategy was replaced by one of international relations in their widest sense The attitude of all the delegates except the Japanese seemed to be in favour of the Russian proposal to the point of refusing to sign the convention without it even the Turks though not entirely happy about it, seemed unwilling to take a strong line against Russia In addition, the strongest argument against the Soviet amendments, that any provision allowing for mutual assistance under the Franco Soviet Pact would offend Germany, could not be produced in open conference Accordingly, on the 11th July a decision on the question of these pacts was asked for from the Foreign Office by the United Kingdom delegation as it seemed that an uncompromising attitude by the United Kingdom might break the conference, while an accommodating attitude held out the possibility of a convention acceptable on other points

19 But before a reply was received, other important developments took place The Technical Committee was at work and also the Drafting Committee, and the main issues were discussed in private conversations After some inconclusive talks the Turkish delegation told Lord Stanley on the 13th July that, in view of their latest instructions from Angora they could not accept the Soviet amendment to article 23 of the United Kingdom draft and that they had now decided to press for the adoption of the Soviet amendment to article 16, while retaining unchanged article 23 of the United Kingdom draft In reply, they were told that instructions on the Soviet amendment to article 16 would

have to be obtained from His Majesty's Government, but that the United Kingdom delegation was hopeful of a solution being obtained on these lines provided the French and Soviet delegations agreed. The Turkish delegation then approached the Soviet delegation, and later in the afternoon M. Litvinov told the United Kingdom delegates that he would be prepared to accept a solution on the lines suggested provided the Russian wishes could be accepted about light surface vessels and the passage of large Black Sea warships with small escorts. On this latter point M. Litvinov had had a discussion with Sir Alexander Cadogan two days before and insisted that his Government regarded it as vital and had refused to reconsider it, although he denied that it was a new demand, all that he had done before was to claim on the 7th July that large units must be allowed passage, even if necessary with an escort, and had proposed submitting an amendment to this effect but he had never submitted it for amendment nor had he mentioned the question of escort when speaking privately with the United Kingdom delegation about the passage of large units, the demand therefore seemed unreasonable and this view had been represented to the Foreign Office by telegram. When however he raised it again as one of two concessions Russia would insist on as a return for the proposed solution his suggestion was not excluded but no commitment was entered into on the point.

20. The Turks then visited the French but when later on the United Kingdom delegates paid a similar visit it was found that the Turks had left the position clear on both points. The French delegates intimated that it would be practically impossible for them to accept the Russian amendment to article 16 providing for total closure of the Straits in time of war, Turkey being neutral, their objection was not to closure in principle but to closure in terms which would not allow for the exception to be made in favour of ships operating under mutual assistance pacts. The French would however be ready to consider a revised text of the United Kingdom draft of article 16 but only with the addition of a short paragraph, which they had suggested in their conversation on the 8th June, to the effect that Turkey might still discriminate between belligerents in virtue of an obligation to which she was a party *or might hereafter become* a party. In view of Mr. Bevin's conversations at the Foreign Office which had just visited on the 10th and 11th July the United Kingdom delegation agreed to the French proposal as regards pacts to which Turkey was already a party (to which of course the Franco-Soviet Pact would not be indebted) but explained that reference would have to be made to His Majesty's Government as regards future pacts. The delegation now felt that agreement could best be reached on these lines provided the points put forward by M. Litvinov could be met and a decision was asked for from the Foreign Office as early as possible.

21. On the 14th July messages were received from London giving approval to consider the passage of large Black Sea warships with escorts if necessary, the freeing of Black Sea Powers from the application of the Marmara yardstick and also to conceding the limitation of non-Black Sea warships to light surface vessels provided the more important question of discrimination on basis of pacts supplementary to the Covenant could be settled in a manner satisfactory to His Majesty's Government and so leaving Germany no cause for complaint on this score. M. Litvinov was therefore informed that His Majesty's Government might be disposed to yield on the points of escort for capital ships through the Straits and the restriction of passage to light surface vessels provided they could obtain satisfaction on articles 16 and 23. He replied that the Soviet Government were most unlikely to agree to any solution other than closure of the Straits to both belligerents in time of war Turkey being neutral subject to rights and obligations under the Covenant of the League and possibly of pacts to which Turkey was a party, though he would refer for further instructions to his Government.

22. The position now was that the Russians with support of the Turks, French and Roumanians were taking the line that the Straits should normally be closed in time of war Turkey being neutral subject to certain exceptions while the United Kingdom delegation in view of previous instructions and telephonic communication with the Foreign Office earlier in the day were maintaining that the Straits should normally be open to both belligerents unless Turkey decided to close them to both or provisions of the Covenant or of pacts to which Turkey was a party entitled her to discriminate. Unless therefore the Russians were to give way there was likelihood of a deadlock leading to a breakdown the consequences

of which would probably be more unfavourable to British interests than the conditions then obtainable, Turkey, in that event might proclaim the Lausanne Convention inoperative and not only proceed to fortify the Straits, but also promulgate, at Russian instigation, regulations for passage of war and commercial vessels more unfavourable than it was hoped to obtain by a convention. It was suggested therefore in a telegram to the Foreign Office that these considerations should be laid before the Cabinet if, as was understood to be the case, the whole question was coming before them on the following day.

23. In the early afternoon of the 15th July the United Kingdom delegation were instructed that His Majesty's Government were prepared to agree to the provision of closure of the Straits to all belligerents in time of war Turkey being neutral subject to rights and obligations under the Covenant of the League and under the pacts to which Turkey was or might be one a party concluded within the framework of the Covenant and of the League and registered and published in accordance with the provisions of article 18 of the Covenant. The French delegates were then interviewed who reiterated their former proposals and said that on these lines alone could they themselves agree or hope to obtain agreement from the Rumanians. It was also clear that the Russians and Turks were equally set in their attitude. The United Kingdom delegation therefore informed the French that they would endeavour to reach on the text of the pacts a case which would be acceptable to the United Kingdom Government. His Majesty's Government would not however insist on the inclusion of the general draft article in a new draft to be worked out. The revised paragraphs of article 16 was then worked out with the French and Turks and M. Litvinov acquainted with the position.

24. The Drafting and Technical Committees had been continuing their work on lesser points raised and the conference had been meeting to consider the rest of their work but at its meeting in the afternoon of the 18th July all was ready for the only text to be the Russian as again. The French delegation put forward the formula agreed upon to replace the Soviet amendment to article 16 and the United Kingdom delegation accepted it making it clear that his acceptance was on behalf of the United Kingdom Government draft of article 23 and on condition agreement being reached on other points being satisfactorily also protected. Discussions of international law which had hitherto led His Majesty's Government to press for the retention of the principle laid down in the Lausanne Convention concerning belligerent rights. This acceptance brought about a complete change in the situation and the conference made rapid progress. The Soviet delegation agreed to abandon its proposals for redrafting article 23 provided their two leaderata were met of tonnage for capital ships and of the restriction about light surface vessels. The United Kingdom delegate withdrew opposition on these points provided satisfaction could be obtained about articles 16 and 23. The United Kingdom delegation therefore agreed to the Straits being closed to both belligerents in time of war Turkey being neutral but had secured an unobjectionable redraft of the pact articles.

25. Agreement on a convention was now secure and it only remained to settle outstanding secondary points. At a meeting on the 19th July the conference cleared these up. On the previous morning the United Kingdom delegation had agreed to the Marmara yardstick being fixed at 15,000 tons, irrespective of the size of the Turkish fleet or the understanding that if necessary this would be one of the points raised at the first five yearly revision provided for by the Convention. At this meeting on the 19th the United Kingdom delegation persuaded the conference to agree to changes in the statistical articles proposed these revisions being made without complete unanimity, other articles. Were would continue to require unanimous consent for a change. The United Kingdom delegation agreed to the abolition of the International Straits Commission but the principle of free transit and navigation in the Straits was accepted in perpetuity while the present Convention was given a life of twenty years. With the settlement of a few quite minor issues the final reading of the United Kingdom draft was completed and the whole convention referred to the Drafting Committee. On Saturday afternoon, the conference considered the draft of the Drafting Committee's work and agreed to the draft convention then conference held a public session at which the new convention was formally signed by the various delegates and at 10 P.M. on Monday the 20th July after

an official banquet offered by the Turkish delegation, the act of signature was performed

26 At the last private session the question of war graves was also satisfactorily settled Although the British representative interested in this matter had apparently reached agreement with the Turkish technical expert for an exchange of notes which would *inter alia*, have secured Turkish recognition of the Imperial War Graves Commission, and assured the status of the commission's representative in Turkey, when these notes were discussed with M Numan, he raised strong objection to the principle of an exchange of notes on the ground that other Powers were pressing for similar procedure over other matters and he firmly refused to accept the proposed reference to the Imperial War Graves Commission as being the organisation referred to in article 124 of the Treaty of Lausanne It was eventually settled that M Aras should make a declaration in terms agreed on at the last moment, which should give ample protection for the war graves and was extremely well received M Aras also agreed to address a note to Lord Stanley reciting the terms of the declaration, which note Lord Stanley received in due course and acknowledged, notes were therefore in fact exchanged

27 It remains to sum up briefly the results of the conference The principle of freedom of the Straits has been reasserted without limit of time The Straits Commission has only been abandoned in return for an undertaking by Turkey in form proposed by the British delegation, that Turkey will furnish signatory Powers with even more information than was formerly supplied by the commission Commercial clauses have been obtained which are in many ways more satisfactory than those of the old convention Though the conditions for warships passing through the Straits are much more stringent in the new convention, the conditions obtained for peace time are far better than those proposed by the Turks at the beginning of the conference, and attempts to convert the Black Sea into a *mare clausum* have been successfully resisted The Soviet Union has been prevailed upon to accept reciprocity of limitation and, although the United Kingdom delegation were obliged to abandon their claim for full belligerent rights as normally recognised by international law (viz., that in time of war, Turkey being neutral the Straits should be open until Turkey took it upon herself to close them) the delegation has gained what is probably a far more important point in securing acceptance of the principle that the only overriding obligations entitling Turkey to discriminate between belligerents shall be those deriving from the League Covenant, or pacts within the framework of that Covenant, to which Turkey is a party Finally, the excellent atmosphere in which agreement was eventually obtained cannot be without good effect in international relations in a wider sphere

P J HENNIKER-HEATON

Montreux, July 1936.

(N B.—Mr Henniker Heaton attended the conference as private secretary to Lord Stanley)

[4636/26/44] No 18

Convention regarding the Régime of the Straits with Correspondence relating thereto, Montreux, July 20, 1936 Communicated by United Kingdom Delegation, Montreux.—(Received in Foreign Office July 22)

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CONVENTION CONCERNANT LE RÉGIME DES DÉTROITS

Montreux le 20 juillet 1936.

Sa Majesté le Roi des Bulgares, le Président de la République française, Sa Majesté le Roi de Grande Bretagne d'Irlande et des Territoires britanniques au delà des mers Empereur des Indes, Sa Majesté le Roi de la Hellène, Sa Majesté l'Empereur du Japon, Sa Majesté le Roi de Roumanie, le Président de la République turque, le Comité central exécutif de l'Union des Républiques soviétiques socialistes et Sa Majesté le Roi de Yougoslavie,

Animés du désir de régler le passage et la navigation dans les détroits des Dardanelles, de la Mer de Marmara et du Bosphore compris sous la dénomination générale de Détroits, de manière à sauvegarder, dans le cadre de la sécurité de la Turquie et de la sécurité dans la Mer Noire des Etats riverains, le principe consacré par l'article 23 du Traité de Paix signé à Lausanne, le 24 juillet 1923,

Ont résolu de substituer la présente Convention à la Convention signée à Lausanne le 24 juillet 1923 et ont désigné pour leurs plénipotentiaires, savoir

Sa Majesté le Roi des Bulgares

M le Docteur Nicolas P Nicolaev, Ministre plénipotentiaire, Secrétaire général du Ministère des Affaires étrangères et des Cultes,

M Pierre Neicov Ministre plénipotentiaire, Directeur des Affaires politiques au Ministère des Affaires étrangères et des Cultes

Le Président de la République française

M Paul-Boncour, Sénateur, Délégué permanent de la France à la Société des Nations, ancien Président du Conseil, ancien Ministre des Affaires étrangères, Chevalier de la Légion d'Honneur, Croix de Guerre

M Henri Ponsot, Ambassadeur extraordinaire et plénipotentiaire de la République française à Ankara, Grand Officier de la Légion d'Honneur

Sa Majesté le Roi de Grande Bretagne, d'Irlande et des Territoires britanniques au delà des mers, Empereur des Indes

Pour la Grande Bretagne et l'Irlande du Nord et toutes les parties de l'Empire britannique qui ne sont pas individuellement Membres de la Société des Nations

Le Très Honorable Lord Stanley, P C., M C. M P., Secrétaire parlementaire à Son Amirauté

Pour le Commonwealth d'Australie :

Le Très Honorable Stanley Melbourne Bruce, C.H., M.C., Haut-Commissaire du Commonwealth d'Australie à Londres.

Sa Majesté le Roi des Hellènes :

M. Nicolas Politis, Envoyé extraordinaire et Ministre plénipotentiaire de Grèce à Paris, ancien Ministre des Affaires étrangères

M. Raoul Bibica Rosetti, Délégué permanent de la Grèce auprès de la Société des Nations.

Sa Majesté l'Empereur du Japon :

M. Naotake Sato, Jusammi, Grand-Cordon de l'Ordre du Soleil Levant, Ambassadeur extraordinaire et plénipotentiaire à Paris

M. Masaaki Hotta, Jushii, Deuxième Classe de l'Ordre du Soleil Levant, Envoyé extraordinaire et Ministre plénipotentiaire à Berne

Sa Majesté le Roi de Roumanie :

M. Nicolas Titulesco, Ministre Secrétaire d'Etat au Département des Affaires étrangères,

M. Constantin Contzesco, Ministre plénipotentiaire, Délégué de la Roumanie aux Commissions européenne et internationale du Danube,

M. Vespasien Pella, Envoyé extraordinaire et Ministre plénipotentiaire à La Haye,

Le Président de la République turque :

M. le Docteur Rüstü Aras, Ministre des Affaires étrangères, Député Lazistan,

M. Suad Davaz, Ambassadeur extraordinaire et plénipotentiaire de la République turque à Paris,

M. Numan Menemencioglu, Ambassadeur de Turquie, Secrétaire général du Ministère des Affaires étrangères,

M. Asim Gündüz, Général de Corps d'Armée, Sous-Chef de l'Etat Major général,

M. Necmeddin Sadak, Délégué permanent de Turquie auprès de la Société des Nations, Député de Sivas, Rapporteur à la Commission des Affaires étrangères,

Le Comité central exécutif de l'Union des Républiques soviétiques socialistes :

M. Maxime Litvinoff, Membre du Comité central exécutif de l'Union des Républiques soviétiques socialistes, Commissaire du Peuple aux Affaires étrangères,

Sa Majesté le Roi de Yougoslavie :

M. Ivan Soubbotitch, Délégué permanent du Royaume de Yougoslavie près la Société des Nations.

Lesquels, après avoir exhibé leurs pleins pouvoirs, reconnus en bonne et due forme, sont convenus des dispositions suivantes :

ARTICLE 1er

Les Hautes Parties contractantes reconnaissent et affirment le principe de la liberté de passage et de navigation par mer dans les Détroits.

L'usage de ladite liberté est dorénavant réglé par les dispositions de la présente Convention.

Section I. - *Navires de Commerce*

ARTICLE 2

En temps de paix, les navires de commerce jouiront de la complète liberté de passage et de navigation dans les Détroits, de jour et de nuit, quels que soient le pavillon et le chargement, sans aucune formalité, sous réserve des dispositions de l'article 3 ci-après. Aucune taxe ou charge autres que celles dont la perception est prévue par l'annexe I à la présente Convention ne sera prélevée par les autorités turques sur ces navires lorsqu'ils passeront en transit sans faire escale dans un port des Détroits.

Afin de faciliter la perception de ces taxes ou charges, les navires de commerce qui franchiront les Détroits feront connaître aux agents du poste visé à l'article 3 leurs nom, nationalité, tonnage, destination et provenance.

Le pilotage et le remorquage restent facultatifs.

ARTICLE 3.

Tout navire qui pénètre dans les Détroits par la Mer Egée ou par la Mer Noire s'arrêtera à un poste sanitaire près de l'entrée des Détroits aux fins de contrôle sanitaire établi par les règlements turcs dans le cadre des prescriptions sanitaires internationales. Ce contrôle, dans le cas de navires possédant une patente nette de santé ou présentant une déclaration de santé attestant qu'ils ne tombent pas sous le coup des dispositions d'alinéa 2 du présent article, s'effectuera de jour et de nuit avec la plus grande rapidité possible et ces navires ne devront être astreints à aucun autre arrêt au cours de leur passage dans les Détroits.

Les navires qui ont à bord des cas de peste, de choléra, de fièvre jaune, de typhus exanthématique ou de variole, ou qui en ont eu moins de sept jours auparavant, ainsi que les navires qui ont quitté un port sanitaire infecté de cinq feux vingt-quatre heures, s'arrêteront au poste sanitaire indiqué à l'alinéa précédent pour y embarquer les gardes sanitaires que les autorités turques pourront désigner. Il ne sera perçu aucune taxe ou charge et les gardes devront être débarqués à un poste sanitaire à la sortie des Détroits.

ARTICLE 4

En temps de guerre, la Turquie n'étant pas belligérante, les navires de commerce, quels que soient le pavillon et le chargement, jouiront de la liberté de passage et de navigation dans les Détroits dans les conditions prévues aux articles 2 et 3.

Le pilotage et le remorquage restent facultatifs.

ARTICLE 5

En temps de guerre, la Turquie étant belligérante, les navires de commerce n'appartenant pas à un pays en guerre avec la Turquie jouiront de la liberté de passage et de navigation dans les Détroits à condition de n'assister en aucune façon l'ennemi.

Ces navires entreront de jour dans les Détroits et le passage devra s'effectuer par la route qui sera, dans chaque cas, indiquée par les autorités turques.

ARTICLE 6

Au cas où la Turquie se trouverait menacée d'un danger de guerre imminent, il continuerait néanmoins à être fait application des dispositions de l'article 2, sauf que les navires devraient entrer de jour dans les Détroits et que le passage devrait s'effectuer par la route indiquée dans chaque cas, par les autorités turques.

Le pilotage pourrait, dans ce cas, être rendu obligatoire, mais sans rétribution.

ARTICLE 7.

Le terme "navires de commerce" s'applique à tous les navires qui ne sont pas visés par la Section II de la présente Convention.

Section II. *Bâtiments de Guerre*

ARTICLE 8

Aux fins de la présente Convention, la définition applicable aux bâtiments de guerre et à leurs spécifications, ainsi qu'au calcul des tonnages est celle qui figure dans l'annexe II à la présente Convention.

ARTICLE 9.

Les bâtiments auxiliaires de la marine militaire spécifiquement conçus pour le transport des combustibles, liquides ou non, ne seront pas astreints au préavis visé à l'article 13 et n'entreront pas dans le calcul des tonnages soumis à limitation en vertu des articles 14 et 18, à condition de traverser les Détroits isolément. Toutefois ils demeureront assimilés aux bâtiments de guerre en ce qui concerne les autres conditions de passage.

Les bâtiments auxiliaires visés au précédent alinéa ne pourront bénéficier de la dérogation envisagée que si leur armement ne comporte pas : comme artillerie contre objectifs flottants, plus de deux pièces d'un calibre de 105 mm. au maximum ; comme artillerie contre objectifs aériens, plus de deux matériels d'un calibre de 75 mm. au maximum.

ARTICLE 10.

En temps de paix, les bâtiments légers de surface, les petits navires de combat et les navires auxiliaires, qu'ils appartiennent à des Puissances riveraines ou non de la Mer Noire, quel que soit leur pavillon, jouiront de la liberté de passage dans les Détroits sans autre taxe ou charge quelconque par navire qu'ils y pénètrent de jour et dans les conditions prévues aux articles 11 et suivants ci-après.

Les bâtiments de guerre autres que ceux qui entrent dans les classes visées à l'alinéa précédent n'auront le droit de passage que dans les conditions spéciales prévues aux articles 11 et 12.

ARTICLE 11.

Les Puissances riveraines de la Mer Noire sont autorisées à faire passer par les Détroits les bâtiments de ligne d'un tonnage supérieur au tonnage prévu à l'alinéa premier de l'article 14, à la condition que ces bâtiments ne franchissent les Détroits qu'un à un, escortés au plus de deux torpilleurs.

ARTICLE 12.

Les Puissances riveraines de la Mer Noire auront le droit de faire passer par les Détroits, en vue de rallier leur base, leurs sous-marins construits ou achetés au dehors de cette mer si un avis de mise en chantier ou d'achat a été donné en temps utile à la Turquie.

Les sous-marins appartenant auxdites Puissances pourront également traverser les Détroits pour être réparés dans des chantiers situés hors de cette mer à la condition que des précisions à ce sujet soient données à la Turquie.

Dans l'un et l'autre cas, les sous-marins devront naviguer de jour et en surface et traverser les Détroits isolément.

ARTICLE 13.

Pour le passage dans les Détroits des bâtiments de guerre, un préavis devra être donné au Gouvernement turc par la voie diplomatique. La durée normale du préavis sera de huit jours, mais il est désirable que, pour les Puissances non riveraines de la Mer Noire, elle soit portée à quinze jours. Il sera indiqué dans le préavis la destination, le nom, le type et le nombre des bâtiments, ainsi que la date de passage pour l'aller et, s'il y a lieu, pour le retour. Tout changement de date devra faire l'objet d'un préavis de trois jours.

L'entrée dans les Détroits pour le passage d'aller devra avoir lieu dans un délai de cinq jours à partir de la date indiquée dans le préavis initial. Après expiration de ce délai, il devra être donné un nouveau préavis, dans les mêmes conditions que pour le préavis initial.

Lors du passage, le commandant de la force navale communiquera, sans avoir à s'arrêter, à une station de signaux à l'entrée des Dardanelles ou du Bosphore, la composition exacte de la force se trouvant sous ses ordres.

ARTICLE 14.

Le tonnage global maximum de toutes les forces navales étrangères pouvant se trouver en cours de transit dans les Détroits ne devra pas dépasser 15,000 tonnes, sauf dans les cas prévus à l'article 11 et à l'annexe III à la présente Convention.

Toutefois les forces visées à l'alinéa précédent ne devront pas comprendre plus de neuf bâtiments.

Ne seront pas compris dans ce tonnage les bâtiments appartenant à des Puissances riveraines ou non riveraines de la Mer Noire qui, conformément aux dispositions de l'article 17, rendent visite à un port des Détroits.

Ne seront pas davantage compris dans ce tonnage les bâtiments de guerre qui auraient subi une avarie lors de la traversée, ces bâtiments se soumettront, pendant les réparations, aux dispositions spéciales de sécurité édictées par la Turquie.

ARTICLE 15.

Les bâtiments de guerre en transit dans les Détroits ne pourront en aucun cas, utiliser les aéronefs dont ils seraient porteurs.

ARTICLE 16.

Les bâtiments de guerre en transit dans les Détroits ne devront, sauf en cas d'avarie ou de fortune de mer, y séjourner au delà du temps nécessaire pour effectuer leur passage.

ARTICLE 17.

Les dispositions des articles précédents ne sauraient en aucune manière empêcher une force navale d'un tonnage et d'une composition quelconques de rentrer, dans un port des Détroits, sur invitation du Gouvernement turc, une visite de courtoisie d'une durée limitée. Cette force devra quitter les Détroits par la même route que pour l'entrée, à moins qu'elle ne soit dans les conditions voulues pour passer en transit dans les Détroits, conformément aux dispositions des articles 10, 14 et 18.

ARTICLE 18.

1. Le tonnage global que les Puissances non riveraines de la Mer Noire peuvent avoir dans cette mer en temps de paix est limité de la façon suivante :

(a) Sauf dans le cas prévu au paragraphe 3 ci-après, le tonnage global des Puissances n'excédera pas 30,000 tonnes.

(b) Au cas où à un moment quelconque, le tonnage de la flotte la plus forte de la Mer Noire viendrait à dépasser d'au moins 10,000 tonnes celui de la flotte la plus forte en cette mer à la date de la signature de la présente Convention, le tonnage global de 30,000 tonnes mentionné au paragraphe (a) sera majoré d'autant, jusqu'à concurrence d'un maximum de 45,000 tonnes. A cette fin, chaque Puissance riveraine fera connaître, conformément à l'annexe IV à la présente Convention au Gouvernement turc, le 1er janvier et le 1er juillet de chaque année, le tonnage total de sa flotte en Mer Noire, et le Gouvernement turc transmettra cette information aux autres Hautes Parties contractantes ainsi qu'au Secrétaire général de la Société des Nations.

(c) Le tonnage que l'une quelconque des Puissances non riveraines aura la faculté d'avoir en Mer Noire sera limité aux deux tiers du tonnage global visé aux paragraphes (a) et (b) ci-dessus.

(d) Toutefois au cas où une ou plusieurs Puissances non riveraines de la Mer Noire désireraient y envoyer, dans un but humanitaire, des forces navales, ces forces, dont l'ensemble ne devra, en aucune hypothèse, excéder 8,000 tonnes, seront admises à pénétrer dans la Mer Noire, sans le préavis prévu à l'article 13 de la présente Convention, moyennant une autorisation obtenue du Gouvernement turc dans les conditions suivantes : si le tonnage global visé aux paragraphes (a) et (b) ci-dessus n'est pas atteint et ne doit pas être dépassé par les forces dont l'envoi est demandé, le Gouvernement turc accordera ladite autorisation dans le plus bref délai après la réception de la demande dont il aura été saisi. Si, dès le tonnage global se trouve être déjà atteint ou s'il devait être dépassé par les forces dont l'envoi est demandé, le Gouvernement turc donnera immédiatement connaissance de la demande d'autorisation aux autres Puissances riveraines de la Mer Noire et si ces Puissances, vingt-quatre heures après en avoir été informées, n'y

font pas d'objection, il fera savoir aux Puissances intéressées, au plus tard dans un délai utile de quarante-huit heures, la suite qu'il aura décidé de donner à leur demande.

Toute entrée ultérieure en Mer Noire de forces navales des Puissances non riveraines ne s'effectuera que dans les limites disponibles du tonnage global visé aux paragraphes (a) et (b) ci-dessus.

2. Quel que soit l'objet de leur présence en Mer Noire, les bâtiments de guerre des Puissances non riveraines ne pourront pas y rester plus de vingt et un jours.

ARTICLE 19.

En temps de guerre, la Turquie n'étant pas belligérante, les bâtiments de guerre jouiront d'une complète liberté de passage et de navigation dans les Détroits dans des conditions identiques à celles qui sont stipulées aux articles 10 à 18.

Toutefois il sera interdit aux bâtiments de guerre de toute Puissance belligérante de passer à travers les Détroits, sauf dans les cas rentrant dans l'application de l'article 25 de la présente Convention, ainsi que dans le cas d'assistance prêtée à un Etat victime d'une agression en vertu d'un traité d'assistance mutuelle conclu entre cet Etat et la Turquie et dans le cadre du Pacte de la Société des Nations, enregistré et publié conformément aux dispositions de l'article 18 dudit Pacte.

Dans les cas exceptionnels visés à l'alinéa précédent, ne seront pas applicables les limitations indiquées dans les articles 10 à 18.

Malgré l'interdiction de passage édictée dans l'alinéa 2 ci-dessus, les bâtiments de guerre des Puissances belligérantes riveraines ou non de la Mer Noire, séparés de leurs ports d'attache, seront autorisés à rallier ces ports.

Il est interdit aux bâtiments de guerre belligérants de procéder à toute capture, d'exercer le droit de visite et de se livrer à un acte hostile quelconque dans les Détroits.

ARTICLE 20.

En temps de guerre, la Turquie étant belligérante, les dispositions des articles 10 à 18 ne seront pas applicables. Le passage des bâtiments de guerre sera entièrement laissé à la discrétion du Gouvernement turc.

ARTICLE 21.

Au cas où la Turquie s'estimerait menacée d'un danger de guerre imminent, elle aurait le droit d'appliquer les dispositions de l'article 20 de la présente Convention.

Les bâtiments de guerre qui, après avoir passé par les Détroits antérieurement à l'usage par la Turquie de la faculté que lui confère l'alinéa précédent, se trouveraient ainsi séparés de leurs ports d'attache, pourront rallier ces ports. Il est cependant entendu que la Turquie pourra ne pas faire bénéficier de ce droit les bâtiments de l'Etat dont l'attitude aurait motivé l'application du présent article.

Si le Gouvernement turc fait usage de la faculté que lui confère l'alinéa premier ci-dessus, il adressera une notification à cet effet aux Hautes Parties contractantes ainsi qu'au Secrétaire général de la Société des Nations.

Si le Conseil de la Société des Nations, par une majorité des deux tiers, décide que les mesures ainsi prises par la Turquie ne sont pas justifiées et si tel est également l'avis de la majorité des Hautes Parties contractantes signataires de la présente Convention, le Gouvernement turc s'engage à rapporter les mesures en question ainsi qu'elles qui auraient été prises en vertu de l'article 6 de la présente Convention.

ARTICLE 22.

Les bâtiments de guerre qui ont à bord des cas de peste, de choléra, de fièvre jaune, de typhus exanthématique ou de variole, ou qui en ont eu moins de sept jours auparavant, ainsi que les bâtiments qui ont quitté un port contaminé depuis moins de cinq fois vingt-quatre heures devront passer les Détroits en quarantaine et appliquer par les moyens du bord les mesures prophylactiques nécessaires pour éviter toute possibilité de contamination des Détroits.

Section III. — *Aéronefs*

ARTICLE 23.

En vue d'assurer le passage des aéronefs civils entre la Méditerranée et la Mer Noire, le Gouvernement turc indiquera, en dehors des zones interdites des Détroits, les routes aériennes destinées à ce passage; les aéronefs civils pourront utiliser ces routes en donnant au Gouvernement turc, pour les survols occasionnels, un préavis de trois jours et, pour les survols de services réguliers, un préavis général des dates de passage.

D'autre part, nonobstant la remilitarisation des Détroits, le Gouvernement turc fournira les facilités nécessaires pour le passage en toute sécurité des aéronefs civils autorisés d'après la réglementation aérienne en vigueur en Turquie à survoler le territoire turc entre l'Europe et l'Asie. Pour les cas où une autorisation de survol aurait été accordée, la route à suivre dans la zone des Détroits sera périodiquement indiquée.

Section IV. — *Dispositions générales*

ARTICLE 24.

Les articles de la Commission internationale constituée en vertu de la Convention concernant le régime des Détroits en date du 24 juillet 1923 et transférée sous son contrôle à la

Le Gouvernement turc s'engage à prêter les assistances et à fournir tous les renseignements qui lui seront demandés par ladite Commission pour l'application des articles 11, 12, 14 et 18.

Il doit veiller à ce que l'exécution de la présente Convention ainsi que le contrôle du passage des bâtiments de guerre dans les Détroits

Dès qu'il aura été avisé du prochain passage dans les Détroits d'une force navale étrangère, le Gouvernement turc fera connaître aux représentants à Ankara des Hautes Parties contractantes la composition de cette force, son tonnage, la date prévue pour son entrée dans les Détroits, s'il y a lieu, la date prévue de son retour.

Le Gouvernement turc adressera au Secrétaire général de la Société des Nations pour communication aux Hautes Parties contractantes un rapport annuel indiquant les mouvements des bâtiments de guerre étrangers dans les Détroits et fournissant tous renseignements utiles pour le contrôle et la navigation maritime et aérienne envisagée dans la présente Convention.

ARTICLE 25.

Aucune disposition de la présente Convention ne porte atteinte aux droits et obligations découlant du Pacte de la Société des Nations pour la Turquie ou pour toute autre Haute Partie contractante, Membre de la Société des Nations.

Section V. — *Dispositions finales.*

ARTICLE 26.

La présente Convention sera ratifiée dans le plus court délai possible.

Les ratifications seront déposées aux archives du Gouvernement de la République française à Paris.

Le Gouvernement japonais aura la faculté de se borner à faire connaître au Gouvernement de la République française, par son représentant diplomatique à Paris, que la ratification a été donnée et, dans ce cas, il devra transmettre l'instrument aussitôt que faire se pourra.

Un procès-verbal de dépôt sera dressé dès que des instruments de ratification y compris celui de la Turquie, auront été déposés. A cette fin la notification prévue à l'alinéa précédent équivaudra au dépôt de l'instrument de ratification.

La présente Convention entrera en vigueur à la date de ce procès-verbal.

Le Gouvernement français remettra à toutes les Hautes Parties contractantes une copie authentique du procès-verbal visé à l'alinéa précédent et des procès-verbaux de dépôt des ratifications ultérieures.

ARTICLE 27

A partir de son entrée en vigueur, la présente Convention sera ouverte à l'adhésion de toute Puissance signataire du Traité de Paix de Lausanne du 24 juillet 1923.

Toute adhésion sera signifiée par la voie diplomatique au Gouvernement de la République française et, par celui-ci, à toutes les Hautes Parties contractantes.

Elle portera effet à dater du jour de la signification au Gouvernement français.

ARTICLE 28.

La présente Convention aura une durée de vingt ans à dater de son entrée en vigueur.

Toutefois le principe de la liberté de passage et de navigation affirmé à l'article 1er de la présente Convention aura une durée illimitée.

Si, deux ans avant l'expiration de ladite période de vingt ans, aucune Haute Partie contractante n'a donné un préavis de dénonciation au Gouvernement français, la présente Convention demeurera en vigueur jusqu'à ce que deux années se soient écoulées après l'envoi d'un préavis de dénonciation. Ce préavis sera notifié par le Gouvernement français aux Hautes Parties contractantes.

Si la présente Convention venait à être dénoncée conformément aux dispositions du présent article, les Hautes Parties contractantes conviennent de se faire représenter à une conférence en vue d'arrêter les termes d'une nouvelle convention.

ARTICLE 29

A l'expiration de chaque période quinquennale à compter de la mise en vigueur de la présente Convention, chacune des Hautes Parties contractantes pourra prendre l'initiative de proposer des amendements à une ou plusieurs dispositions de la présente Convention.

Pour être recevable, la demande de revision formulée par une des Hautes Parties contractantes doit être appuyée, s'il s'agit de modifications à l'article 14 ou à l'article 18, par une autre Haute Partie contractante et, s'il s'agit de modifications à tout autre article, par deux autres Hautes Parties contractantes.

La demande de revision ainsi appuyée devra être notifiée à toutes les Hautes Parties contractantes trois mois avant l'expiration de la période quinquennale en cours. Ce préavis contiendra l'indication et les motifs des amendements proposés.

S'il est impossible d'aboutir sur ces propositions par la voie diplomatique, les Hautes Parties contractantes se feront représenter à une conférence convoquée à cet effet.

Cette conférence ne pourra statuer qu'à l'unanimité, à l'exception des cas de revision relatifs à l'article 14 et à l'article 18, pour lesquels il suffira d'une majorité des trois quarts des Hautes Parties contractantes.

Cette majorité sera calculée en y comprenant les trois quarts des Hautes Parties contractantes riveraines de la Mer Noire, y compris la Turquie.

En foi de quoi, les Plénipotentiaires susnommés ont signé la présente Convention.

Fait à Montreux, le vingt juillet mil neuf cent trente-six, en onze exemplaires, dont le premier, revêtu des sceaux des Plénipotentiaires, sera déposé dans les archives du Gouvernement de la République française et dont les autres ont été remis aux Puissances signataires.

(L.S.) N. P. NICOLAEV
(L.S.) PIERRE NEICOV
(L.S.) J. PAUL-BONCOUR
(L.S.) H. PONSOT
(L.S.) STANLEY
(L.S.) S. M. BRUCE
(L.S.) N. POLITIS
(L.S.) RAOUL BIBICA ROSETTI

Les soussignés, Plénipotentiaires du Japon, déclarent, au nom de leur Gouvernement, que les dispositions de la présente Convention ne modifient en rien la position du Japon comme État non membre de la Société des Nations, tant à l'égard du Pacte de la Société des Nations qu'à l'égard des traités d'assistance mutuelle conclus dans le cadre dudit Pacte, et que le Japon conserve notamment, pour ce qui concerne ce Pacte et ces traités, dans les dispositions des articles 15 et 25, une pleine liberté d'appréciation.

(L.S.) N. SATO.
(L.S.) MASSA-AKI HOTTA.

(L.S.) N. TITULESCO.
(L.S.) CONS. CONTZESCO.
(L.S.) V. V. PELLA.
(L.S.) Dr. R. ARAS.
(L.S.) SUAD DAVAZ.
(L.S.) N. MENEMENCIOGLU.
(L.S.) ASIM GUNDUZ.
(L.S.) N. SADAK.
(L.S.) MAXIME LITVINOFF.
(L.S.) Dr. I. V. SOUBBOTITCH.

ANNEXE I

1. Les taxes et charges qui peuvent être prélevées conformément à l'article 2 de la présente Convention seront celles qui sont indiquées dans le tableau ci-après. Les réductions éventuelles de ces taxes et charges que le Gouvernement turc admettrait seront appliquées sans distinction de pavillon.

Nature du service rendu.	*Montant de la taxe ou de la charge à percevoir sur chaque tonne de jauge nette (net register tonnage). Francs or (1)*
a Contrôle sanitaire	0 075
(*b*) Phares, bouées lumineuses et bouées de chenaux ou autres	
Jusqu'à 800 tonnes	0 42
Au dessus de 800 tonnes	0 21
(*c*) Service de sauvetage, y compris les canots de sauvetage, les postes de fusées porte-amarres, les sirènes de brume, les radiophares, ainsi que les bouées lumineuses non comprises sous (*b*) ou autres installations du même genre	0·10

2. Les taxes et charges définies au tableau annexé au paragraphe premier de la présente annexe s'appliqueront à une double traversée des Détroits (c'est-à-dire à un passage de la Mer Égée à la Mer Noire et au voyage de retour vers la Mer Égée ou bien à une traversée des Détroits de la Mer Noire à la Mer Égée suivie du retour en Mer Noire), toutefois, si un navire de commerce franchit à nouveau les Détroits en vue de retourner en Mer Égée ou en Mer Noire, selon le cas, plus de six mois après la date d'entrée dans les Détroits pour le voyage d'aller, le navire pourra être appelé, sans distinction de pavillon, à acquitter une seconde fois ces taxes et charges.

3. Si, à la traversée d'aller, un navire de commerce déclare ne pas devoir revenir, il n'aura à acquitter, quant aux taxes et charges visées aux alinéas (*b*) et (*c*) du paragraphe 1er de la présente annexe, que la moitié du tarif.

4. Les taxes et charges définies au tableau annexé au paragraphe 1er de la présente annexe et qui ne seront pas plus élevées qu'il n'est indispensable pour couvrir les frais occasionnés par les services

(1) Actuellement 100 piastres équivalent à environ 2 francs 50 centimes or.

en question et pour conserver un fonds de réserve ou un fonds de roulement raisonnable ne seront augmentées ou complétées que par application des dispositions de l'article 29 de la présente Convention Elles seront acquittées en francs or ou en monnaie turque d'après le cours des changes pratiqué à la date du paiement

5. Les navires de commerce pourront être tenus d'acquitter des taxes et des charges pour les services facultatifs tels que le pilotage et le remorquage lorsqu'un tel service aura été dûment rendu par les autorités turques à la demande de l'agent ou du capitaine du navire en question Le Gouvernement turc publiera de temps à autre, le tarif des taxes et charges qui seront perçues au titre de ces services facultatifs

6. Ces tarifs ne seront pas augmentés dans les cas où lesdits services seront rendus obligatoires par l'application de l'article 5

ANNEXE II [*]

A *Déplacement type*

1. Le déplacement type d'un bâtiment de surface est le déplacement de bâtiment achevé avec son équipage complet et ses machines principales, prêt à prendre la mer, ayant tout son armement et toutes ses munitions, ses approvisionnements variés, à l'exclusion de l'eau pour la chaudière, mais comprenant les

Annexe III.

Il est convenu que, parmi les trois navires-écoles hors d'âge ci-dessous désignés de la marine japonaise, deux unités seront admises à visiter les ports des Détroits ensemble.

Le tonnage global de ces deux navires sera, dans ce cas, considéré comme équivalent à 15,000 tonnes.

	Date de la mise en chantier	*Date de l'entrée en service*	*Déplacement type (tonnes)*	*Armement.*
Asama	20-X-1896	18-III-1899	9,240	IV × 200 mm. XII × 150 mm
Yakumo	1-IX-1898	20-VI-1900	9,010	IV × 200 mm. XII × 150 mm
Iwate	11-XI-1898	18-III-1901	9,180	IV × 200 mm. XIV × 150 mm.

Annexe IV

1. Les classes ou sous-classes de bâtiments à comprendre dans le calcul du tonnage total des flottes des Puissances riveraines de la Mer Noire visé à l'article 18 de la présente Convention, sont les suivantes :

Bâtiments de ligne
- sous-classe *a*
- sous-classe *(b)*

Bâtiments porte-aéronefs
- sous-classe *(a)*
- sous-classe *(b)*

Bâtiments légers de surface
- sous-classe *(a)*
- sous-classe *(b)*
- sous-classe *(c)*

Sous-marins

suivant les définitions de l'annexe II à la présente Convention.

Le déplacement dont il doit être tenu compte dans le calcul du tonnage total est le déplacement type, tel qu'il est défini à l'annexe II. Ne seront pris en considération que les bâtiments qui ne sont pas " hors d'âge," tels qu'ils sont définis à ladite annexe.

2. La communication prévue à l'article 18, alinéa (b), doit comprendre en outre le tonnage total des bâtiments des classes et sous-classes mentionnées au paragraphe premier de la présente annexe.

Protocole

Au moment de signer la Convention portant la date de ce jour, les plénipotentiaires soussignés, engageant leurs gouvernements respectifs, déclarent accepter les dispositions ci-après :

1. La Turquie pourra remilitariser immédiatement la zone des Détroits telle qu'elle est définie dans le préambule de ladite Convention.

2. A partir du 15 août 1936, le Gouvernement turc appliquera provisoirement le régime spécifié dans ladite Convention.

3. Le présent Protocole prendra effet à dater de ce jour.

Fait à Montreux, le vingt juillet mil neuf cent trente-six.

N. P. NICOLAEV
PIERRE NEICOV.
J. PAUL-BONCOUR.
H. PONSOT.
STANLEY.
S. M. BRUCE.
N. POLITIS.
RAOUL BIBICA ROSETTI.
N. SATO
(ad referendum).
MASSA-AKI HOTTA
(ad referendum).
N. TITULESCO.
CONS. CONTZESCO.
V. V. PELLA.
Dr. R. ARAS.
SUAD DAVAZ.
N. MENEMENCIOGLU.
ASIM GUNDUZ.
N. SADAK.
MAXIME LITVINOFF.
Dr. I. V. SOUBBOTITCH.

TRANSLATION.

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CONVENTION REGARDING THE RÉGIME OF THE STRAITS

Montreux, July 20, 1936

His Majesty the King of the Bulgarians, the President of the French Republic, His Majesty the King of Great Britain, Ireland and the British Dominions beyond the Seas, Emperor of India, His Majesty the King of the Hellenes, His Majesty the Emperor of Japan, His Majesty the King of Roumania, the President of the Turkish Republic, the Central Executive Committee of the Union of Soviet Socialist Republics, and His Majesty the King of Yugoslavia,

Desiring to regulate transit and navigation in the Straits of the Dardanelles, the Sea of Marmora and the Bosphorus, comprised under the general term "Straits" in such manner as to safeguard, within the framework of Turkish security and of the security, in the Black Sea, of the riparian States, the principle enshrined in article 23 of the Treaty of Peace signed at Lausanne on the 24th July, 1923,

Have resolved to replace by the present Convention the Convention signed at Lausanne on the 24th July, 1923 [1] and have appointed as their plenipotentiaries:

His Majesty the King of the Bulgarians:

Dr. Nicolas P. Nicolaev, Minister Plenipotentiary, Secretary-General of the Ministry of Foreign Affairs and of Cults;

M. Pierre Neicev, Minister Plenipotentiary, Director of Political Affairs at the Ministry of Foreign Affairs and of Cults.

The President of the French Republic:

M. Paul Boncour, Senator, Permanent Delegate of France to the League of Nations, former President of the Council, former Minister for Foreign Affairs, Chevalier of the Legion of Honour, Croix de Guerre;

M. Henri Ponsot, Ambassador Extraordinary and Plenipotentiary of the French Republic at Angora, Grand Officer of the Legion of Honour.

His Majesty the King of Great Britain, Ireland and the British Dominions beyond the Seas, Emperor of India:

For Great Britain and Northern Ireland and all parts of the British Empire which are not separate Members of the League of Nations:

(1) "Treaty Series No. 16 (1929)," Cmd. 1929, p. 109.

The Right Honourable Lord Stanley, P.C., M.C., M.P., Parliamentary Secretary to the Admiralty;

For the Commonwealth of Australia:

The Right Honourable Stanley Melbourne Bruce, C.H., M.C., High Commissioner for the Commonwealth of Australia in London;

His Majesty the King of the Hellenes:

M. Nicolas Politis, Envoy Extraordinary and Minister Plenipotentiary of Greece in Paris, former Minister for Foreign Affairs;

M. Raoul Bibica Rosetti, Permanent Delegate of Greece to the League of Nations.

His Majesty the Emperor of Japan:

M. Naotake Sato, Jusanmi, Grand Cordon of the Order of the Rising Sun, Ambassador Extraordinary and Plenipotentiary in Paris;

M. Mussaki Hotta, Jushii, Second Class of the Order of the Rising Sun, Envoy Extraordinary and Minister Plenipotentiary at Berne.

His Majesty the King of Roumania:

M. Nicolas Titulesco, Minister Secretary of State for the Department of Foreign Affairs;

M. Constantin Contzesco, Minister Plenipotentiary, Delegate of Roumania to the European and International Commissions of the Danube;

M. Vespasien Pella, Envoy Extraordinary and Minister Plenipotentiary at The Hague.

The President of the Turkish Republic:

Dr. Rüstü Aras, Minister for Foreign Affairs, Deputy for Smyrna;

M. Suad Davaz, Ambassador Extraordinary and Plenipotentiary of the Turkish Republic in Paris;

M. Numan Menemencioglu, Ambassador of Turkey, Secretary-General of the Ministry for Foreign Affairs;

M. Asim Gündüz, General Commanding an Army Corps, Deputy Chief of the General Staff;

M. Necmeddin Sadak, Permanent Delegate of Turkey to the League of Nations, Deputy for Sivas, *Rapporteur* for the Committee of Foreign Affairs.

The Central Executive Committee of the Union of Soviet Socialist Republics:

M. Maxime Litvinoff, Member of the Central Executive Committee of the Union of Soviet Socialist Republics, People's Commissar for Foreign Affairs.

His Majesty the King of Yugoslavia:

M. Ivan Soubbotitch, Permanent Delegate of the Kingdom of Yugoslavia to the League of Nations.

Who, after having exhibited their full powers, found in good and due form, have agreed on the following provisions:

ARTICLE 1.

The High Contracting Parties recognise and affirm the principle of freedom of transit and navigation by sea in the Straits.

The exercise of this freedom shall henceforth be regulated by the provisions of the present Convention.

Section I.—*Merchant Vessels.*

Article 2.

In time of peace, merchant vessels shall enjoy complete freedom of transit and navigation in the Straits, by day and by night, under any flag and with any kind of cargo without any formalities, except as provided in article 3 below No taxes or charges other than those authorised by Annex I to the present Convention shall be levied by the Turkish au thorities on these vessels when passing in transit without calling port in the Straits.

In order to facilitate the collection of these taxes or charges merchant vessels passing through the Straits shall communicate to the officials at the stations referred to in article 3 their name, nationality, tonnage, destination and last port of call (provenance).

Pilotage and towage remain optional

Article 3

All ships entering the Straits by the Ægean Sea or by the Black Sea shall stop at a sanitary station near the entrance to the Straits for the purposes of the sanitary control prescribed by Turkish law within the framework of international sanitary regulations This control, in the case of ships possessing a clean bill of health or presenting a declaration of health testifying that they do not fall within the scope of the provisions of the second paragraph of the present article, shall be carried out by day and by night with all possible speed and the vessels in question shall not be required to make any other stop during their passage through the Straits.

Vessels which have on board cases of plague, cholera, yellow fever, exanthematic typhus or small-pox, or which have had such cases on board during the previous seven days and vessels which have left an infected port within less than five times twenty four hours shall stop at the sanitary stations indicated in the preceding paragraph in order to embark such sanitary guards as the Turkish authorities may direct No tax or charge shall be levied in respect of these sanitary guards and they shall be disembarked at a sanitary station on departure from the Straits.

Article 4.

In time of war, Turkey not being belligerent, merchant vessels, under any flag or with any kind of cargo, shall enjoy freedom of transit and navigation in the Straits subject to the provisions of articles 2 and 3.

Pilotage and towage remain optional

Article 5.

In time of war, Turkey being belligerent, merchant vessels not belonging to a country at war with Turkey shall enjoy freedom of transit and navigation in the Straits on condition that they do not in any way assist the enemy

Such vessels shall enter the Straits by day and their transit shall be effected by the route which shall in each case be indicated by the Turkish authorities.

Article 6.

Should Turkey consider herself to be threatened with imminent danger of war, the provisions of article 2 shall nevertheless continue to be applied except that vessels must enter the Straits by day and that their transit must be effected by the route which shall, in each case, be indicated by the Turkish authorities.

Pilotage may, in this case, be made obligatory but no charge shall be levied.

Article 7

The term "merchant vessels" applies to all vessels which are not covered by Section II of the present Convention.

Section II.—*Vessels of War.*

Article 8.

For the purposes of the present Convention, the definitions of vessels of war and of their specification together with those relating to the calculation of tonnage shall be as set forth in Annex II to the present Convention.

Article 9

Naval auxiliary vessels specifically designed for the carriage of fuel, liquid or non liquid, shall not be subject to the provisions of article 18 regarding notification, nor shall they be counted for the purpose of calculating the tonnage which is subject to limitation under articles 14 and 16, on condition that they shall pass through the Straits singly. They shall, however continue to be on the same footing as vessels of war for the purpose of the remaining provisions governing transit

The auxiliary vessels specified in the preceding paragraph shall only be entitled to benefit by the exceptional status therein contemplated if their armament does not include for use against floating targets, more than two guns of a maximum calibre of 105 millimetres for use against aerial targets, more than two guns of a maximum calibre of 75 millimetres.

Article 10.

In time of peace, light surface vessels, minor war vessels and auxiliary vessels, whether belonging to Black Sea or non Black Sea Powers, and whatever their flag, shall enjoy freedom of transit through the Straits without any taxes or charges whatever, provided that such transit is begun during daylight and subject to the conditions laid down in article 13 and the articles following thereafter.

Vessels of war other than those which fall within the categories specified in the preceding paragraph shall only enjoy a right of transit under the special conditions provided by articles 11 and 12.

Article 11.

Black Sea Powers may send through the Straits capital ships of a tonnage greater than that laid down in the first paragraph of article 14, on condition that these vessels pass through the Straits singly, escorted by not more than two destroyers.

Article 12.

Black Sea Powers shall have the right to send through the Straits, for the purpose of rejoining their base submarines constructed or purchased outside the Black Sea provided that adequate notice of the laying down or purchase of such submarines shall have been given to Turkey.

Submarines belonging to the said Powers shall also be entitled to pass through the Straits to be repaired in dockyards outside the Black Sea on condition that detailed information on the matter is given to Turkey.

In either case, the said submarines must travel by day and on the surface, and must pass through the Straits singly.

Article 13.

The transit of vessels of war through the Straits shall be preceded by a notification given to the Turkish Government through the diplomatic channel The normal period of notice shall be eight days, but it is desirable that in the case of non Black Sea Powers this period should be increased to fifteen days The notification shall specify the destination name, type and number of the vessels as also the date of entry for the outward passage and if necessary, for the return journey Any change of date shall be subject to three days' notice.

Entry into the Straits for the outward passage shall take place within a period of five days from the date given in the original notification. After the expiry of this period, a new notification shall be given under the same conditions as for the original notification.

When effecting transit, the commander of the naval force shall, without being under any obligation to stop, communicate to a signal station at the entrance to the Dardanelles or the Bosphorus the exact composition of the force under his orders.

ARTICLE 14

The maximum aggregate tonnage of all foreign naval forces which may be in course of transit through the Straits shall not exceed 15,000 tons, except in the cases provided for in article 11 and in Annex III to the present Convention.

The forces specified in the preceding paragraph shall not, however, comprise more than nine vessels.

Vessels, whether belonging to Black Sea or non-Black Sea Powers, paying visits to a port in the Straits, in accordance with the provisions of article 17, shall not be included in this tonnage.

Neither shall vessels of war which have suffered damage during their passage through the Straits be included in this tonnage, such vessels, while undergoing repair, shall be subject to any special provisions relating to security laid down by Turkey.

ARTICLE 15

Vessels of war in transit through the Straits shall in no circumstances make use of any aircraft which they may be carrying.

ARTICLE 16.

Vessels of war in transit through the Straits shall not, except in the event of damage or peril of the sea, remain therein longer than is necessary for them to effect the passage.

ARTICLE 17

Nothing in the provisions of the preceding articles shall prevent a naval force of any tonnage or composition from paying a courtesy visit of limited duration to a port in the Straits, at the invitation of the Turkish Government. Any such force must leave the Straits by the same route as that by which it entered, unless it fulfils the conditions required for passage in transit through the Straits as laid down by articles 10, 14 and 18.

ARTICLE 18.

(1) The aggregate tonnage which non-Black Sea Powers may have in that sea in time of peace shall be limited as follows :—

(a) Except as provided in paragraph *b* below, the aggregate tonnage of the said Powers shall not exceed 30,000 tons.

(*b*) If at any time the tonnage of the strongest fleet in the Black Sea shall exceed by at least 10,000 tons the tonnage of the strongest fleet in that sea at the date of the signature of the present Convention, the aggregate tonnage of 30,000 tons mentioned in paragraph *a* shall be increased by the same amount, up to a maximum of 45,000 tons. For this purpose each Black Sea Power shall, in conformity with Annex IV to the present Convention, inform the Turkish Government, on the 1st January and the 1st July of each year, of the total tonnage of its fleet in the Black Sea, and the Turkish Government shall transmit this information to the other High Contracting Parties and to the Secretary General of the League of Nations.

(*c*) The tonnage which any one non-Black Sea Power may have in the Black Sea shall be limited to two-thirds of the aggregate tonnage provided for in paragraphs (*a*) and (*b*) above;

(*d*) In the event, however, of one or more non-Black Sea Powers desiring to send naval forces into the Black Sea, for a humanitarian purpose, the said forces, which shall in no case exceed 8,000 tons altogether, shall be allowed to enter the Black Sea without having to give the notification provided for in article 13 of the present Convention, provided an authorisation is obtained from the Turkish Government in the following circumstances: if the figure of the aggregate tonnage specified in paragraphs (*a*) and (*b*) above has not been reached and will not be exceeded by the despatch of the forces which it is desired to send, the Turkish Government shall grant the said authorisation within the shortest possible time after receiving the request which has been addressed to it; if the said figure has already been reached or if the despatch of the forces which it is desired to send will cause it to be exceeded, the Turkish Government will immediately inform the other Black Sea Powers of the request for authorisation, and if the said Powers make no objection within twenty-four hours of having received this information, the Turkish Government shall, within forty-eight hours at the latest, inform the interested Powers of the reply which it has decided to make to their request.

Any further entry into the Black Sea of naval forces of non-Black Sea Powers shall only be effected within the available limits of the aggregate tonnage provided for in paragraphs (*a*) and (*b*) above.

(2) Vessels of war belonging to non-Black Sea Powers shall not remain in the Black Sea more than twenty-one days, whatever be the object of their presence there.

ARTICLE 19

In time of war, Turkey not being belligerent, warships shall enjoy complete freedom of transit and navigation through the Straits under the same conditions as those laid down in articles 10 to 18.

Vessels of war belonging to belligerent Powers shall not, however, pass through the Straits except in cases arising out of the application of article 25 of the present Convention, and in cases of assistance rendered to a State victim of aggression in virtue of a treaty of mutual assistance binding Turkey, concluded within the framework of the Covenant of the League of Nations, and registered and published in accordance with the provisions of article 18 of the Covenant.

In the exceptional cases provided for in the preceding paragraph, the limitations laid down in articles 10 to 18 of the present Convention shall not be applicable.

Notwithstanding the prohibition of passage laid down in paragraph 2 above, vessels of war belonging to belligerent Powers, whether they are Black Sea Powers or not, which have become separated from their bases, may return thereto.

Vessels of war belonging to belligerent Powers shall not make any capture, exercise the right of visit and search, or carry out any hostile act in the Straits.

ARTICLE 20.

In time of war, Turkey being belligerent, the provisions of articles 10 to 18 shall not be applicable, the passage of warships shall be left entirely to the discretion of the Turkish Government.

ARTICLE 21.

Should Turkey consider herself to be threatened with imminent danger of war she shall have the right to apply the provisions of article 20 of the present Convention.

Vessels which have passed through the Straits before Turkey has made use of the powers conferred upon her by the preceding paragraph and which thus find themselves separated from their bases, may return thereto. It is, however, understood that Turkey may deny this right to vessels of war belonging to the State whose attitude has given rise to the application of the present article.

Should the Turkish Government make use of the powers conferred by the first paragraph of the present article, a notification to that effect shall be addressed to the High Contracting Parties and to the Secretary-General of the League of Nations.

If the Council of the League of Nations decide by a majority of two-thirds that the measures thus taken by Turkey are not justified, and if such should also be the opinion of the majority of the High Contracting Parties signatories to the present Convention, the Turkish Government undertakes to discontinue the measures in question as also any measures which may have been taken under article 6 of the present Convention.

ARTICLE 22.

Vessels of war which have on board cases of plague, cholera, yellow fever, exanthematic typhus or smallpox or which have had such cases on board within the last seven days and vessels of war which have left an infected port within less than five times twenty-four hours must pass through the Straits in quarantine and apply by the means on board such prophylactic measures as are necessary in order to prevent any possibility of the Straits being infected.

Section III. *Aircraft*

ARTICLE 23.

In order to assure the passage of civil aircraft between the Mediterranean and the Black Sea, the Turkish Government will indicate the air routes available for this purpose, outside the forbidden zones which may be established in the Straits. Civil aircraft may use these routes provided that they give the Turkish Government, as regards occasional flights, a notification of three days, and as regards flights on regular services a general notification of the dates of passage.

The Turkish Government moreover undertake, notwithstanding any demilitarisation of the Straits, to furnish the necessary facilities for the safe passage of civil aircraft authorised under the air regulations in force in Turkey to fly across Turkish territory between Europe and Asia. The route which is to be followed in the Straits zone by aircraft which have obtained an authorisation shall be indicated from time to time.

Section IV.—*General Provisions*

ARTICLE 24.

The functions of the International Commission set up under the Convention relating to the régime of the Straits of the 24th July, 1923, are hereby transferred to the Turkish Government.

The Turkish Government undertake to collect statistics and to furnish information concerning the application of articles 11, 12, 14 and 18 of the present Convention.

They will supervise the execution of all the provisions of the present Convention relating to the passage of vessels of war through the Straits.

As soon as they have been notified of the intended passage through the Straits of a foreign naval force the Turkish Government shall inform the representatives at Angora of the High Contracting Parties of the composition of that force, its tonnage, the date fixed for its entry into the Straits, and, if necessary, the probable date of its return.

The Turkish Government shall address to the Secretary-General of the League of Nations and to the High Contracting Parties an annual report giving details regarding the movements of foreign vessels of war through the Straits and furnishing all information which may be of service to commerce and navigation, both by sea and by air, for which provision is made in the present Convention.

ARTICLE 25.

Nothing in the present Convention shall prejudice the rights and obligations of Turkey, or of any of the other High Contracting Parties members of the League of Nations, arising out of the Covenant of the League of Nations.

Section V. *Final Provisions*

ARTICLE 26.

The present Convention shall be ratified as soon as possible.

The ratifications shall be deposited in the archives of the Government of the French Republic in Paris.

The Japanese Government shall be entitled to inform the Government of the French Republic through their diplomatic representative in Paris that the ratification has been given and in that case they shall transmit the instrument of ratification as soon as possible.

A *procès-verbal* of the deposit of ratifications shall be drawn up as soon as six instruments of ratification, including that of Turkey, shall have been deposited. For this purpose the notification provided for in the preceding paragraph shall be taken as the equivalent of the deposit of an instrument of ratification.

The present Convention shall come into force on the date of the said *procès-verbal*.

The French Government will transmit to all the High Contracting Parties an authentic copy of the *procès-verbal* provided for in the preceding paragraph and of the *procès-verbaux* of the deposit of any subsequent ratifications.

ARTICLE 27.

The present Convention shall, as from the date of its entry into force, be open to accession by any Power signatory to the Treaty of Peace at Lausanne signed on the 24th July, 1923.

Each accession shall be notified, through the diplomatic channel, to the Government of the French Republic and by the latter to all the High Contracting Parties.

Accessions shall come into force as from the date of notification to the French Government.

ARTICLE 28.

The present Convention shall remain in force for twenty years from the date of its entry into force.

The principle of freedom of transit and navigation affirmed in article 1 of the present Convention shall however continue without limit of time.

If two years prior to the expiry of the said period of twenty years no High Contracting Party shall have given notice of denunciation to the French Government the present Convention shall continue in force until two years after such notice shall have been given. Any such notice shall be communicated by the French Government to the High Contracting Parties.

In the event of the present Convention being denounced in accordance with the provisions of the present article, the High Contracting Parties agree to be represented at a conference for the purpose of concluding a new Convention.

ARTICLE 29.

At the expiry of each period of five years from the date of the entry into force of the present Convention each of the High Contracting Parties shall be entitled to initiate a proposal for amending one or more of the provisions of the present Convention.

To be valid, any request for revision formulated by one of the High Contracting Parties must be supported, in the case of modifications to articles 14 or 18, by one other High Contracting Party, and, in the case of modifications to any other article, by two other High Contracting Parties.

Any request for revision thus supported must be notified to all the High Contracting Parties three months prior to the expiry of the current period of five years. This notification shall contain details of the proposed amendments and the reasons which have given rise to them.

Should it be found impossible to reach an agreement on these proposals through the diplomatic channel, the High Contracting Parties agree to be represented at a conference to be summoned for this purpose.

Such a conference may only take decisions by a unanimous vote, except as regards cases of revision involving articles 14 and 18, for which a majority of three-quarters of the High Contracting Parties shall be sufficient.

The said majority shall include three-quarters of the High Contracting Parties which are Black Sea Powers, including Turkey.

In witness whereof, the above-mentioned Plenipotentiaries have signed the present Convention.

Done at Montreux the 20th July, 1936, in eleven copies, of which the first copy, to which the seals of the Plenipotentiaries have been affixed, will be deposited in the archives of the Government of the French Republic, and of which the remaining copies have been transmitted to the signatory Powers.

(L.S.) N. I. NEDOLAEV.
(L.S.) PIERRE NERON.
(L.S.) J. PAUL-BONCOUR.
(L.S.) H. PONSOT.
(L.S.) STANLEY.
(L.S.) S. M. BRUCE.
(L.S.) N. POLITIS.
(L.S.) RAOUL BIBICA ROSETTI.

The undersigned, Plenipotentiaries of Japan, declare, in the name of their Government, that the provisions of the present Convention do not in any sense modify the position of Japan as a State not a member of the League of Nations, whether in relation to the Covenant of the League of Nations or in regard to treaties of mutual assistance concluded within the framework of the said Covenant, and that in particular Japan reserves full liberty of interpretation as regards the provisions of articles 10 and 25 so far as they concern that Covenant and those treaties.

(L.S.) N. SATO.
(L.S.) MASSA-AKI HOTTA.

(L.S.) N. TITULESCO.
(L.S.) CONS. CONTZESCO.
(L.S.) V. V. PELLA.
(L.S.) DR. R. ARAS.
(L.S.) SUAD DAVAZ.
(L.S.) N. MENEMENCIOGLU.
(L.S.) ASIM GUNDUZ.
(L.S.) N. SADAK.
(L.S.) MAXIME LITVINOFF.
(L.S.) DR. I. V. SOUBBOTITCH.

ANNEX I

The taxes and charges which may be levied in accordance with article 2 of the present Convention shall be those set forth in the following table. Any reductions in these taxes or charges which the Turkish Government may grant shall be applied without any distinction based on the flag of the vessel —

Nature of service rendered	*Amount of tax or charge to be levied on each ton of net register tonnage, in francs gold(a).*
(a) Sanitary Control Stations	0·075
(b) Lighthouses, Light and Channel Buoys—	
Up to 800 tons	0·42
Above 800 tons	0·21
(c) Life Saving Services, including Life boats, Rocket Stations, Fog Sirens, Direction finding Stations, and any Light Buoys not comprised in (b) above, or other similar installations	0·10

2. The taxes and charges set forth in the table attached to paragraph 1 of the present Annex shall apply in respect of a round voyage through the Straits (that is to say, any voyage from the Aegean Sea to the Black Sea and back to the Aegean Sea or else a voyage through the Straits from the Black Sea to the Aegean Sea followed by a return voyage to the Black Sea). If, however, a merchant vessel enters the Straits with the object of returning into the Aegean Sea or to the Black Sea, as the case may be, more than six months after the date of entry into the Straits for the outward voyage, such vessel may be called upon to pay these taxes and charges a second time, provided no distinction is made based on the flag of the vessel.

3. If on the outward voyage a merchant vessel declares an intention of not returning, it shall only be obliged, as regards the taxes and charges provided for in paragraphs 1 (a) and (c) of the first paragraph of the present annex, to pay half the tariff charges.

4. The taxes and charges set forth in the table attached to the first paragraph of the present annex, which are not to be greater than is necessary to cover the cost of maintaining the services concerned and of allowing for the creation of a reasonable reserve fund or working balance, shall not be increased or added to except in accordance with the provisions of article 29 of the present Convention. They shall be payable in gold francs or in Turkish currency at the rate of exchange prevailing on the date of payment.

5. Merchant vessels may be required to pay taxes and charges for optional services, such as pilotage and towage, when any such service shall have been duly rendered by the Turkish authorities at the request of the agent or master of any such vessel. The Turkish Government will publish from time to time the tariff of the taxes and charges to be levied for such optional services.

6. These tariffs shall not be increased in cases in the event of the said services being made obligatory by reason of the application of article 5.

ANNEX II (c)

A. *Standard Displacement*

(1) The standard displacement of a surface vessel is the displacement of the vessel complete fully manned, engined and equipped ready for sea, including all armament and ammunition, equipment, outfit, provisions and fresh water for crew, miscellaneous stores and implements of every description that are intended to be carried in war, but without fuel or reserve feed water on board.

(a) 100 piastres at present equal to 2·5 francs gold (approx.).
(b) The wording of the present Annex is taken from the London Naval Treaty of March 25, 1936.

(2) The standard displacement of a submarine is the surface displacement of the vessel complete (exclusive of the water in non-watertight structure), fully manned, engined and equipped ready for sea, including all armament and ammunition, equipment outfit, provisions for crew, miscellaneous stores and implements of every description that are intended to be carried in war, but without fuel, lubricating oil fresh water or ballast water of any kind on board.

(3) The word "ton" except in the expression "metric tons" denotes the ton of 2,240 lb. (1,016 kilos.).

B. *Categories*

(1) *Capital Ships* are surface vessels of war belonging to one of the two following sub-categories

(*a*) surface vessels of war, other than aircraft carriers, auxiliary vessels, or capital ships of sub-category (*b*), the standard displacement of which exceeds 10,000 tons (10,160 metric tons) or which carry a gun with a calibre exceeding 8 in (203 mm.),

(*b*) surface vessels of war, other than aircraft-carriers, the standard displacement of which does not exceed 8,000 tons 6,128 metric tons and which carry a gun with a calibre exceeding 8 in (203 mm.

(2) *Aircraft-Carriers* are surface vessels of war, whatever their displacement designed or adapted primarily for the purpose of carrying and operating aircraft at sea. The fitting of a landing on or flying off deck on any vessel of war provided such vessel has not been designed or adapted primarily for the purpose of carrying and operating aircraft at sea shall not cause any vessel so fitted to be classified in the category of aircraft carriers.

The category of aircraft carriers is divided into two sub-categories as follows

(*a*) vessels fitted with a flight deck from which aircraft can take off or on which aircraft can land from the air,

(*b*) vessels not fitted with a flight deck as described in (*a*) above.

(3) *Light Surface Vessels* are surface vessels of war other than aircraft-carriers, minor war vessels or auxiliary vessels, the standard displacement of which exceeds 100 tons (102 metric tons) and does not exceed 10,000 tons (10,160 metric tons), and which do not carry a gun with a calibre exceeding 8 in (203 mm.

The category of light surface vessels is divided into three sub-categories as follows

(*a*) vessels which carry a gun with a calibre exceeding 6·1 in (155 mm.),

(*b*) vessels which do not carry a gun with a calibre exceeding 6·1 in (155 mm.) and the standard displacement of which exceeds 3,000 tons (3,048 metric tons),

(*c*) vessels which do not carry a gun with a calibre exceeding 6·1 in. (155 mm.) and the standard displacement of which does not exceed 3,000 tons 3,048 metric tons

(4) *Submarines* are all vessels designed to operate below the surface of the sea.

(5) *Minor War Vessels* are surface vessels of war, other than auxiliary vessels, the standard displacement of which exceeds 100 tons (102 metric tons) and does not exceed 2,000 tons (2,032 metric tons), provided they have none of the following characteristics —

(*a*) mount a gun with a calibre exceeding 6·1 in. (155 mm.),

(*b*) are designed or fitted to launch torpedoes,

(*c*) are designed for a speed greater than twenty knots.

6 *Auxiliary Vessels* are naval surface vessels the standard displacement of which exceeds 100 tons (102 metric tons), which are normally employed on fleet duties or as troop transports, or in some other way than as fighting ships, and which are not specifically built as fighting ships, provided they have none of the following characteristics —

(*a*) mount a gun with a calibre exceeding 6·1 in (155 mm.),

(*b*) mount more than eight guns with a calibre exceeding 3 in. 76 mm.),

(*c*) are designed or fitted to launch torpedoes,

(*d*) are designed for protection by armour plate;

(*e*) are designed for a speed greater than twenty-eight knots,

(*f*) are designed or adapted primarily for operating aircraft at sea,

(*g*) mount more than two aircraft-launching apparatus.

C. *Over-Age*

Vessels of the following categories and sub-categories shall be deemed to be "over-age" when the undermentioned number of years have elapsed since completion —

(*a*) Capital ships	26 years.
(*b*) Aircraft-carriers	20 years.
(*c*) Light surface vessels, sub-categories (*a*) and (*b*)—	
(i) if laid down before 1st January, 1920	16 years.
(ii) if laid down after 31st December, 1919	20 years
(*d*) Light surface vessels, sub-category (*c*)	16 years.
(*e*) Submarines	13 years.

ANNEX III

It is agreed that of the three over age training ships, as indicated below, belonging to the Japanese fleet, two units may be allowed to visit ports in the Straits at the same time

The aggregate tonnage of these two vessels shall in this case be considered as being equivalent to 15,000 tons.

	Date when laid down	*Date of entry into service*	*Standard displacement (tons)*	*Armaments*
Asama	20 X 1896	18 III 1899	9,240	IV × 200 mm XII × 150 mm
Yakumo	1 IX 1898	20 VI 1900	9,010	IV × 200 mm XII × 150 mm
Iwate	11 XI 1898	18 III 1901	9,180	IV × 200 mm XIV × 150 mm.

ANNEX IV.

The categories and sub-categories of vessels to be included in the calculation of the total tonnage of the Black Sea Powers provided for in article 18 of the present Convention are the following —

Capital Ships
- sub-category (*a*)
- sub-category (*b*).

Aircraft Carriers
- sub-category (*a*),
- sub-category (*b*).

Light Surface Vessels
- sub-category (*a*),
- sub-category (*b*)
- sub-category (*c*

Submarines

as defined in Annex II to the present Convention.

The displacement which is to be taken into consideration in the calculation of the total tonnage is the standard displacement as defined in Annex II Only those vessels shall be taken into consideration which are not over-age according to the definition contained in the said Annex

2 The notification provided for in article 18, paragraph (*b*) shall also include the total tonnage of vessels belonging to the categories and sub-categories mentioned in paragraph 1 of the present Annex

Protocol

At the moment of signing the Convention bearing this day's date, the undersigned Plenipotentiaries declare for their respective Governments that they accept the following provisions.—

(1) Turkey may immediately remilitarise the zone of the Straits as defined in the Preamble to the said Convention

(2) As from the 15th August, 1936, the Turkish Government shall provisionally apply the régime specified in the said Convention

(3) The present Protocol shall enter into force as from this day's date

Done at Montreux, the 20th July, 1936

N P NICOLAEV
PIERRE NEICOV
J PAUL BONCOUR.
H PONSOT
STANLEY
S. M BRUCE.
N POLITIS
RAOUL BIBICA ROSETTI
N SATO
ad referendum
MASSA AKI HOTTA
ad referendum.
N TITULESCO
CONS. CONTZESCO
V V PELLA
Dr R. ARAS
SI AD DAVAZ.
S MENEMENCIOGLU
ASIM GUNDUZ
N SADAK
MAXIME LITVINOFF.
Dr. I V SOUBBOTITCH.

CORRESPONDENCE.

No. 1

Dr T R Aras to Lord Stanley

Délégation de la République turque,
Mon cher Lord Stanley, *Montreux, le 18 juillet* 1936.

Vous m'avez dit l'autre jour que l opinion publique anglaise avait quelque appréhension au sujet du sort réservé, après la conclusion de la Convention des Détroits, aux cimetières militaires de la presqu'île de Gallipoli

Par une déclaration faite spontanément en séance privée aujourd'hui j'ai fait connaître à cet égard la politique du Gouvernement de la République

Je suis heureux de vous transcrire ci-après les termes de la susdite déclaration :

" On a manifesté quelques inquiétudes au sujet des rapports existant entre la Convention que nous allons signer et le Traité de Paix de Lausanne Pour dissiper tous malentendus la Délégation turque fait la déclaration suivante qu'elle vous prie de faire consigner dans le procès-verbal

" L'article 28 du Traité de Lausanne a trouvé son application dans la Convention que nous avons élaborée D'autre part, il va de soi que la Turquie continuera comme par le passé à être liée par le Traité de Lausanne et fera intégralement honneur à ses engagements, nonobstant les changements à intervenir, par la Convention dans le régime des Détroits Par exemple les mêmes facilités que par le passé en ce qui concerne l'entretien, la surveillance et les visites des cimetières et l'application de l'article 124 seront évidemment maintenues par le Gouvernement turc. "

Je vous prie, &c.
T R ARAS

(Translation.)

Delegation of the Turkish Republic
My dear Lord Stanley *Montreux July* 18, 1936.

You mentioned to me the other day that public opinion in your country felt some uneasiness regarding the effect of the conclusion of the Straits Convention upon the position of the military cemeteries on the Gallipoli Peninsula.

In a spontaneous declaration which I made during to-day's private session I stated the policy of the Government of the Republic with regard to this matter

I am happy to furnish you in the present letter with the terms of that declaration —

Some uneasiness has been expressed regarding the relationship between the Convention which we are about to sign and the Treaty of Peace of Lausanne In order to dispel any possible misunderstanding, the Turkish Delegation make the following declaration, and they ask that it may be recorded in the *procès-verbal*

Article 28 of the Treaty of Lausanne has found its application in the Convention which we have elaborated. It goes without saying, however, that Turkey will continue as in the past to be bound by the said Treaty of Lausanne and will fully honour her obligations notwithstanding any changes which may be brought about in the régime of the Straits by the Convention. For example the Turkish Government will continue to maintain the same facilities as in the past in regard to the upkeep and supervision of, and to visits to, the cemeteries and in regard to the application of Article 124 of the Treaty of Lausanne "

Believe me, &c.
T. R ARAS.

No. 2.

Lord Stanley to Dr T R Aras.

United Kingdom Delegation,
Montreux, July 20, 1936.

My dear Dr. Aras,

In reply to your letter of the 18th July 1936, concerning the desire felt in certain quarters for a reassurance with regard to the situation of the war graves on the Gallipoli Peninsula following the conclusion of the Convention which we are about to sign relating to the régime of the Straits, I am happy to thank you sincerely for the declaration which you made in the private plenary session of the Conference on the 18th July in the following terms —

"Some uneasiness has been expressed regarding the relationship between the Convention which we are about to sign and the Treaty of Peace of Lausanne. In order to dispel any possible misunderstanding, the Turkish Delegation make the following declaration and they ask that it may be recorded in the *procès-verbal*.

"Article 28 of the Treaty of Lausanne has found its application in the Convention which we have elaborated. It goes without saying, however, that Turkey will continue as in the past to be bound by the said Treaty of Lausanne and will fully honour her obligations notwithstanding any changes which may be brought about in the régime of the Straits by the Convention. For example, the Turkish Government will continue to maintain the same facilities as in the past in regard to the upkeep and supervision of, and to visits to, the cemeteries, and in regard to the application of Article 124 of the Treaty of Lausanne."

Believe me, &c.
STANLEY

[E 4889/425/44] No. 19

Sir P Loraine to Mr Eden —(Received July 23.)

(No. 386 E.)

Istanbul, July 18, 1936.

Sir,

I HAVE the honour, with reference to my despatch No. 18 E. of the 11th January, 1936, to transmit to you herewith the half-yearly economic report on Turkey for the period January to June 1936, which has been prepared by the commercial secretary at His Majesty's Embassy.

2. I am sending a copy of this despatch to the Department of Overseas Trade.

I have, &c.
PERCY LORAINE

Enclosure in No. 19.

Restriction of Imports by Tariff, Quotas and Control of Exchange

BY virtue of a Decree No. 2/3735, the second paragraph of article 20 of Decree No. 11 for the safeguarding of Turkish currency was restored in its original form. Travellers entering or leaving Turkey might carry with them £T 25 in Turkish currency. For sums in excess of that amount special sanction of the Ministry of Finance must be obtained.

2. On the 10th January an addition was made to article 4 of the "Liste des Besoins de Change" annexed to Decree No. 11 for the safeguarding of Turkish currency.

Article 4 was worded as follows —

"Les succursales en notre pays des sociétés qui sont établies à l'étranger telles que la Compagnie des Wagons-Lits et les Compagnies de Navigation étrangères pourront acheter des devises avec le visa de la Direction des Changes à l'effet d'envoyer, le cas échéant, à leur siège se trouvant à l'étranger, une partie de leurs recettes.

"Il n'est pas accordé aux compagnies d'assurance des devises pour des envois de sommes à faire à l'étranger, à titre de primes, à l'exclusion des montants destinés au règlement obligatoire d'avaries à l'étranger, tant qu'elles n'auront pas prouvé l'impossibilité pour elles de compenser ces sommes par des contre-primes à obtenir par voie de rétrocession."

By virtue of the new decree sums in respect of freights, insurance premiums and commissions due to countries which do not themselves grant free exchange in payment for such services will be payable into a blocked account at the Central Bank of Turkey. It is presumed that these sums will only be transferred as and when sums due to persons in Turkey in respect of similar services are paid by the country concerned into the Central Bank.

3. On the 18th February a decree was promulgated modifying article 39 of Decree No. 11 for the safeguarding of Turkish currency. The new decree provides that gold as well as foreign exchange may be used in payment for exports of Turkish produce. Any such gold, as in the case of foreign exchange, must be sold to the Central Bank of Turkey or its representative.

4. In the six-monthly "E." report for the period July to December 1935, reference was made to the modification of article 32 of Decree No. 11. The effect of this modification was to withdraw the grant of free exchange against imports from countries having a commercial treaty with Turkey but no clearing agreement, such as those British Colonies to which the Anglo-Turkish Commercial Treaty of 1930 was applicable.

A further circular was issued by the Ministry of Finance on the 18th February announcing certain changes in the lists of countries contained in the circular referred to above. Malta, Cyprus, Canada, Australia, New Zealand,

Ceylon, the Union of South Africa and Nigeria were placed in the category of countries to which the terms of the amended decree are to apply. The last four of these countries were, by implication, placed in this category before, though they were not separately mentioned in the earlier circular.

5. On the 10th February a decree was promulgated by virtue of which the terms of Decree No. 2/3569 will not be applied in the case of countries having a clearing or payments agreement with Turkey, to non-commercial payments and transfers, provided that the balance of payments is favourable to Turkey.

According to the terms of Decree No. 2/3569 referred to above, articles 13, 14 and 16 of the "Liste des Besoins de Change" were modified as follows:—

Article 13.—Specialists employed either by official or by private organisations and paid in Turkish currency may now remit abroad only one fifth instead of, as previously, one third of their salary each month after payment of all taxes. Exception is made in the case of specialists who have already concluded contracts with the Turkish Government or with organisations in which the latter has an interest.

Article 14. The maximum amount which foreigners working in Turkey for their own account may remit abroad is now reduced from £T 300 to £T 50 a month.

Article 16. The maximum amount which may be remitted to persons abroad in the form of interest and dividends on their capital and investments in Turkey is now reduced from £T 100 to £T 50 per person monthly.

6. On the 27th April last articles 14 and 16 of the "Liste des Besoins de Change" annexed to Decree No. 11 for the safeguarding of Turkish currency were annulled by virtue of a Decree No. 2/4463.

As the result of this new decree foreigners working in Turkey for their own account may no longer transfer abroad any sums whatever in foreign currency, and foreigners living outside Turkey may no longer receive foreign exchange in respect of dividends, pensions, revenue from property, bank deposits, insurance policies and inheritance and certain other sources of revenue payable in Turkey.

7. On the 14th May a Decree No. 2/4579 was promulgated modifying article 32 of Decree No. 11 for the safeguarding of Turkish currency. By virtue of the amendment a merchant in Turkey may now import goods from any country having a favourable trade balance with Turkey or from any country which has not concluded a clearing or similar agreement against the export of Turkish produce to any such country, and that a merchant may import goods under the general quota régime from any of the countries concerned and obtain payment on a "clearing" basis provided that the foreign country concerned authorises such a method of settlement.

Control of Trade through Barter Arrangements

Practically every country has adhered to Turkey's economic policy, and has in consequence concluded provisional agreements with Turkey.

France

The Franco-Turkish Clearing Agreement and Commercial *Modus Vivendi*, details of which were furnished in the immediately preceding six-monthly report, were ratified by the Turkish Council of Ministers on the 13th August, 1935.

Czechoslovakia

Negotiations for the conclusion of a Turco-Czechoslovak Commercial Agreement took place in Prague during the month of April and the first week in May. Pending the conclusion of these negotiations the Turco-Czechoslovak Commercial Agreement signed at Angora on the 6th March, 1934, was prolonged on two occasions. On the 12th May an agreement governing the regulation of commercial exchanges between Turkey and Czechoslovakia and an agreement between the Central Bank of Turkey and the National Bank of Czechoslovakia concerning credits were signed at Prague between the two countries.

According to article 7 the arrangement concerning commercial exchanges entered into force on the 1st June 1936, and has validity for a year with automatic extensions for a further year unless denounced at two months' notice. The

agreement between the two banks, which replaces the agreement of the 3rd March, 1934, has the same validity as the above-mentioned arrangement.

The arrangement is based on a balance of trade and payments. The agreement between the Central Bank of Turkey and the National Bank of Czechoslovakia provides for a clearing under which all sums due to exporters in either of the contracting countries have to be deposited in the clearing office of the country concerned.

Czechoslovak goods figuring in list 1 of the arrangement may be imported into Turkey free of quota restrictions, and Czechoslovak goods figuring in list 2 are subject to the quotas specified. Goods not mentioned in either of the two lists will benefit by the general quota régime in Turkey.

With the exception of goods figuring in List 3 which are subjected to the control of the "Société tchécoslovaque de Blé" and the "Syndicat de la Production animale" all other Turkish produce exported to Czechoslovakia is admitted free of restrictions or limitations.

Private compensation transactions are permitted under certain conditions. Turkish raisins and hazel nuts may not, however, be exported on a compensation basis.

Finland

On the 15th April the Turco-Finnish Commercial Agreement, which was signed at Angora on the 6th June, 1935, was ratified by Turkey. A summary of this agreement was furnished in the immediately preceding six-monthly "E" report transmitted under cover of despatch No. 18 E. of the 11th January last.

Germany

The Turco-German Commercial and Clearing Agreements signed at Berlin on the 13th April, 1935, were denounced and lapsed on the 30th April last, and a German delegation arrived in Angora early in April in order to negotiate new agreements. The negotiations were concluded on the 19th May by the signature of a supplementary agreement which was signed by the Acting Minister for Foreign Affairs on behalf of Turkey, and by the German Ambassador and the head of the German delegation on behalf of Germany.

This agreement is in the form of a third "Avenant" or additional protocol to the Commercial Agreement of the 27th May, 1930.

Five lists are attached to the "Avenant":—

(1) A "free list" of German goods which may be imported into Turkey without quota restriction.

This list contains a number of tariff items which did not figure in the previous "free list".

(2) A "quota list".

In comparison with previous quota lists, many changes have been made. Certain tariff items figuring in previous quota lists have been withdrawn and other tariff items have been added. In some cases quotas have been considerably reduced and in others increased.

(3) An annex B specifying tariff reductions granted to the produce and manufacture of Germany.

In comparison with the previous annex B this annex effects many changes. Some of the reductions are less favourable, others have been increased and others withdrawn.

(4) An annex to paragraph 2, article 3 of the third "Avenant," giving a list of tariff classifications in respect of German chemical products.

(5) A list B of German products which may be imported into Turkey without an import permit of the Ministry concerned. This list "B" forms an annex to the "free list".

Paragraph 2 of article 3 of the Turco-German Commercial Agreement of the 27th May, 1930, has been amplified in regard to the authorities or bodies authorised to issue certificates of origin. Moreover, the contracting parties may designate additional competent bodies.

An additional paragraph has been added to article 9 of the 1930 agreement by virtue of which objects provisionally introduced to serve as models or samples are exempted from customs duties.

The following amendments have been made additional to the amendments contained in the agreements or protocols of the 19th April, 1934, and the 15th April, 1935 —

(*a*) The rate of 5 reichsmarks per metric quintal in respect of the German tariff item *ex* 52 (raisins) have been reduced by the Germans to 5 reichsmarks This reduction is not applicable to tariff item 53.

(*b*) Paragraph 3 of article 1 ("Avenant" or protocol of the 19th April, 1934 has been modified, so that the reduced duty of 600 reichsmarks is now applicable to the German tariff item 402 instead of tariff item 403

Industrial chemical products not specified elsewhere in the Turkish tariff will henceforward be classified under tariff item No. 853 (paying duty at the rate of 4 to 25 per cent *ad valorem*) and not under article 1 of the Turkish tariff law, which entails payment of a duty of 40 per cent *ad valorem*

The third Avenant, which is signed in Turkish French and German, the French text prevailing in case of divergence, forms an integral part of the Turco-German commercial agreement It will be ratified and the exchange of ratifications will take place at Berlin The third Avenant will come into force two days after the exchange but the two Governments have agreed that it should take effect provisionally as from the 20th May Under article 4 of the third Avenant the parties undertake that the three months notice of denunciation specified in article 20 of the Turco-German Commercial Agreement of 1930, if given must be calculated in such a manner that the commercial agreement does not expire before the 30th April 1937

No amendments appear to have been made during the negotiations to the agreement between the Reichsbank and the Central Bank relative to the manner in which the 30 per cent placed at the disposal of the Turkish Government is to be utilised This agreement contains a stipulation that the 30 per cent of foreign exchange accruing to Turkey had to be spent in Germany This stipulation has been the cause of dissatisfaction to the Turkish Government as it is one of the causes of Turkey's exchange difficulties.

Turco Italian Commercial and Clearing Agreements

These agreements expired on the 20th April last It is reported in the press that negotiations are shortly to take place in Angora with a view to reviewing these agreements.

Turco Russian Agreement

In January last it was announced in the Soviet and Turkish press that a Turco-Soviet commercial agreement had been concluded at Angora concerning import quotas. Copies of this reported agreement are not available, but according to information obtained from the Soviet Embassy, this instrument is not a regular agreement but merely the accomplishment of a six monthly formality (to which, however the name of agreement may be given) to which the Turkish and Soviet Governments are parties

The two sides arrange, each six months, to draw up a list of the goods which will be exchanged between the two countries during the ensuing half-year Each side declares the kind of goods which it will send and take No quantities or values are mentioned But steps are taken on both sides to watch the operation of the agreement made, to ensure that imports and exports on each side balance during the six monthly period

Copies of the agreed lists could not be supplied by the Soviet Embassy, as the U S S R in declaring to the Turkish Government that it would take certain specified Turkish produce during the coming half year, did not want Turkish producers to know this in advance as producers would otherwise raise the price of the specified products or a corner in those products might be made

Turco Greek Agreement

On the 2nd October the Council of Ministers approved the Turco-Greek Commercial Agreement signed in Athens on the 26th September 1935 The main features of this agreement were furnished in the six monthly "E" report transmitted under cover of despatch No 18 E of the 11th January last It was ratified by Turkey by virtue of a law dated the 2nd January, 1936

Turco-Spanish Agreement.

New commercial and clearing agreements were signed at Madrid on the 31st December

Both agreements entered into force on the 1st January 1936, and will remain in force for two years. They will be automatically renewed for a further two years unless denounced three months before the expiration of the first period of two years. The agreement was ratified by Turkey on the 18th May last

Commercial Agreement -There are three lists annexed to this agreement

List 'A' specifies the goods of Spanish origin which will benefit by most favoured nation treatment as regards customs tariffs on importation into Turkey

The Turkish Government have hitherto always been prepared to concede the principle of most favoured nation treatment in this respect to all goods imported from countries having a commercial agreement with Turkey but full most-favoured nation treatment has not been granted in this case presumably because the Spanish Government, in their turn accord minimum tariff rates only to the Turkish goods mentioned in List "C"

List B Tariff reductions varying from 10 per cent to 30 per cent have been granted in List B" to many categories of Spanish cotton piece-goods on their importation into Turkey

List C" specifies the goods of Turkish origin which benefit by most favoured nation treatment on importation into Spain

Specific quotas are granted to Spain in respect of the following cotton manufactures cotton piece goods, velvets, plushes, lace lamp wicks, handkerchiefs, sheets, belts &c also superphosphate floorcloth, American cloth, iron and steel products, cutlery, hardware and certain non ferrous metals A special quota is granted by Spain to Turkey for eggs and timber

Article 11 of the agreement states that in case the above-mentioned quotas are exhausted before the end of the period for which they are allocated both countries will give sympathetic consideration to a request for supplementary quotas

Each country grants, on the basis of reciprocity, most favoured nation treatment as regards internal taxation, supplementary taxes on imports consumption taxes &c to the goods of the other country Most favoured nation treatment does not, however apply in the case of the special concessions granted by Spain to Portugal, to Spanish American States and to frontier trade, and by Turkey to States forming part of the Balkan *Entente* and to detached territories of the former Ottoman Empire

Article 14 of the agreement states that goods produced or manufactured in countries having no clearing or analogous agreement with Turkey and which pass in transit through Spain may, on importation into Turkey be paid for subject to the consent of both Governments, by an exportation of Turkish produce of equal value to Spain on a compensation basis

Turkey reserves, in article 16, the right to modify or to cancel at fifteen days' notice the tariff reductions accorded in List "B"

Should this right be exercised, Spain maintains the right to demand some counterbalancing measure of compensation and to ask that negotiations in this respect be opened at fifteen days notice If the negotiations fail at the end of one month, to produce a satisfactory result Spain then has the right to denounce the agreement at twenty days' notice

A similar right is claimed by each country in case of a change effected by the other country in its general import regime or in its customs tariffs and other supplementary dues and taxes

Clearing Agreement Payment in respect of commercial transactions between the two countries will be effected through the clearing system, the Central Bank of Turkey and the Banco Exterior de Espana acting on behalf of their respective countries

Turkish imports into Spain will be paid for as follows —

Eighty per cent, in pesetas to be placed on Account "A" at the Banco Exterior de Espana

Twenty per cent in French francs to be placed in Account "B" at the same Bank

Sums available in Account "A" will be utilised to pay for Spanish exports to Turkey, and sums in Account "B" will be placed at the free disposal of the Central Bank of Turkey. In other words Spain grants a margin of 20 per cent in free exchange in favour of Turkey.

Private compensation transactions can be carried out by Spanish and Turkish exporters but in such cases the value of the Spanish export will be only 80 per cent. of that of the corresponding Turkish export.

Turkish creditors who import the Spanish produce specified in article 8 of the Commercial Agreement and Spanish creditors who import Turkish cotton, tobacco, cigarettes, gum-arabic, essence of rose, mohair and wool in settlement of their respect credits, can receive payment at once without awaiting their turn in chronological order under the clearing agreement.

Protocol of Signature. All Spanish and Turkish goods lying in the customs of each country may be cleared free of quota restrictions provided that they were landed in the customs before the 8th June 1935 and that they are cleared within sixty days of the entry into force of the commercial and clearing agreements. But in case such goods are normally subject to quota restrictions the quantities cleared under the above arrangements will be deducted from the quotas allocated for 1936. Special conditions of payment are imposed in regard to these clearances.

Exchange of Letters. These deal with various matters of detail the first two being of interest in that they contain an undertaking that both Governments will not apply to each other's goods on importation coefficients of increase or surtaxes imposed in respect of depreciated exchange.

Turco Swedish Agreement

The Turco Swedish Commercial and Clearing Agreement signed at Angora on the 10th June, 1934 was renewed until the 1st March, 1936 in order to allow time for the outcome of the negotiations which were then in progress.

Negotiations were resumed in February and the Turco Swedish Commercial and Clearing Agreements were signed at Angora on the 27th February last.

These agreements are to remain in force for a period of ten months from the 1st March, 1936, and may be prolonged by tacit consent for further successive ten-monthly periods in the absence of notice to the contrary three months before the end of the period in course.

The clearing agreement follows the general lines of the previous one. As in the previous agreement 40 per cent. of the sums deposited with the Swedish State Bank for account of the Central Bank of Turkey will be placed at the free disposal of the Turkish Bank, but Sweden no longer undertakes to ensure that the amount of free exchange resulting from this transfer will not be less than the equivalent of £T 300,000 for each period of six months.

Private compensation transactions may be authorised with the consent of the respective State banks.

In the previous agreement the sums deposited in Swedish crowns with the Swedish State Bank were at once converted into French francs, but in the present agreement deposits will not be converted. Provision is made in the new agreement for the liquidation of the French franc account. Moreover, sums deposited in the Central Bank of Turkey are to be credited in Swedish crowns and no longer in French francs.

Commercial Agreement. No quota restrictions are placed on the entry of Turkish goods into Sweden.

To the agreement are annexed :-

List 1.—Swedish goods which may be imported into Turkey free of quota restrictions. This list includes leather belting, animal glues, newsprint and other types of paper, emery paper, rubber sheets and tubes, firebricks, electric light globes, iron and steel ingots, angle iron, sheet iron, iron and steel wire, iron and steel chains and pipes, iron and steel tools, cutlery, iron drums and other large containers, iron hardware, copper sheets, tubes, wire and hardware, lead bars and ingots, wireless apparatus, steam boilers. Petrol and oil engines are also included in the list, but the prior authorisation of the Ministry of National Economy must be obtained before importation.

List 2.—Special quotas are granted to certain Swedish products, including—

Woollen piece-goods, turpentine, wrapping paper, cardboard, rubber shoes and goloshes, galvanised iron pipes, horseshoe nails and locks, hemp, door and window fittings.

Turco-Swiss Commercial Agreement

The Turco-Swiss Commercial and Clearing Agreements of the 3rd January, which were extended to the 31st January, 1936, were further extended for one year as from the aforesaid date.

Turco-Yugoslav Commercial Agreement

The Turco-Yugoslav Commercial Agreement of the 3rd July, 1934, was slightly revised in respect of Lists "A" and "B" annexed to the commercial agreement.

Turco-Polish Treaty of Commerce

A Treaty of Commerce and Navigation was signed in Angora on the 29th August 1931. The instruments of ratification were however not exchanged until the 30th August 1934 but a agreement was reached at Warsaw on the 17th June 1932, for the exchange of goods on a compensation system during a period of three months. The scope of this arrangement was limited and it was not renewed.

By virtue of an exchange of letters signed between the Polish Ambassador and the Turkish Government on the 19th February last, it was agreed to treat on a *modus vivendi* on the basis of compensation.

On the 2nd April a commercial agreement between Turkey and Poland was signed at Angora.

This agreement follows the usual lines except that Poland has not granted any margin to Turkey owing to the fact that Turkey has no extra commercial commitments vis-à-vis Poland.

Turco-Norwegian Quota and Compensation Agreement

The validity of the Turco-Norwegian Quota and Compensation Agreement signed at Angora on the 26th April, 1934 and denounced by the Turkish Government on the 11th May was extended as from the 12th May until the 12th June last pending the conclusion of a revised agreement.

Turco-Japanese Commercial Relations

A Japanese commercial delegation visited Turkey during the month of May. The delegation represented the industrial consortium "Mitsubishi" and came to Turkey in order to discuss with Iş (Limited) (an offshoot of the Iş Bankasi) the possibility of developing Turco-Japanese commercial relations and to investigate Turkish export availabilities.

Iş (Limited) are the representatives in Turkey of the "Mitsubishi" consortium, and the delegation avoided contact with other outside firms or organisations.

Anglo-Turkish Trade and Payments Agreement

There are two outstanding features which constitute weak spots in this agreement.

Firstly, the question of direct remittances, and, secondly, the sale of Turkish products imported into France and Germany and eventually sold to buyers in the United Kingdom.

The question of direct remittances has been the subject of repeated representations to the Turkish Government as the result of which the Turkish Government have made it compulsory for an exporter in Turkey to sell to the Central Bank of Turkey the foreign exchange derived from the export of Turkish goods. Instructions are now being drawn up relative to the procedure to be adopted in respect of the transfer of such exchange sales to the credit of the sterling account at the Bank of England.

The question of compensation in respect of direct remittances prior to the measures enforced by the Turkish Government relative to the compulsory sale of such remittances to the Central Bank has still to be settled

As regards the second weak spot in the agreement, quantities of mohair were recently sent from Turkey to France, and as there were also signs that merchants in France were placing important sales in this country for sultanas, there is a strong presumption (sultanas are not usually imported into France from Turkey in any appreciable quantities) that this commodity was being purchased for resale to the United Kingdom.

If this process were continued the large amount of money blocked in Turkey and due to merchants in France would be reduced, while the difficulty of disposal in France of the imported Turkish goods would be avoided by their resale to the United Kingdom

The results of the operation would be highly detrimental to the interests of United Kingdom merchants who export to Turkey These merchants look for payment for their exports to the "sterling account" in the Bank of England mentioned in article 7 of the Anglo Turkish Trade and Payments Agreement but the "sterling account" which is fed by imports into the United Kingdom from Turkey receives no benefit from goods which are imported from Turkey into the United Kingdom via France in the manner described above Similar damage to the interests of United Kingdom exporters to Turkey, resulting in the swelling of the unfavourable balance so far as the United Kingdom is concerned—of Anglo Turkish trade, is caused by the action of merchants in Germany who import goods from Turkey and sell them to buyers in the United Kingdom

It is principally as a result of these unfavourable factors that His Majesty's Government have agreed to a bilateral clearing arrangement being enforced in respect of trade between the United Kingdom and Turkey and negotiations will shortly take place in the United Kingdom relative thereto

Relations of the Turkish Government to Banking, Trade and Industry and Agriculture

Banking

An addition of some importance has been effected to banking legislation by virtue of a law promulgated on the 1st June

The new law institutes a severe control on the operations and internal administration of Turkish and foreign banks The principal clauses are

Article 3 Foreign companies which carry on banking operations in Turkey and foreign banks whose capital belongs to the State must obtain a special permit from the Council of Ministers prior to their establishment in Turkey

Without such a permit, such firms cannot employ the word "bank" in the title of their business and cannot effect banking operations.

Article 4 -A similar permit must be also obtained from every branch which may be opened after the publication of this law

Article 5 —Banks already operating in Turkey must submit within two months a declaration to both the Ministries of Finance and Economy, and any banks founded after the publication of this law must likewise submit a declaration within two months from the date of their establishment These declarations, as regards Turkish banks, must give their name, head office and branches, capital (paid up and on call), reserves and the operations they effect It will be accompanied by legalised copies of documents with regard to the statutes of the bank and its last balance sheet

Foreign banks must give their name and the country according to whose laws they are founded, the address of their head office their branches in Turkey and the dates on which these were opened the amount of paid up capital assigned to their branches in Turkey under the present law, the kind of banking operations they carry out the date of establishment of the bank their capital (paid up and on call) reserves the countries in which they have a head office and the places in which they have branches in other countries and they must attach legalised copies of documents with regard to the opening of their branches.

The paid-up capital assigned by foreign banks to their branches in Turkey must be converted into Turkish currency and passed to their "capital" account.

Article 8. —In order to be able to accept deposits, the paid up capital and reserves of Turkish banks, and the paid-up capital assigned to their branches in Turkey by foreign banks, exclusive of original installation expenses, must be at least

£T	1,000,000 for towns of over 250,000 inhabitants.
£T	500,000 in localities with a population of 100,000-250,000
£T	125,000 in localities with a population of 50.000-100,000.
£T	50,000 in localities with a population of less than 50 000

For banks with several branches in different towns the capital required is that called for on the above scale in respect to each branch but several branches in the same town will be considered as a single branch for this purpose

Article 10 —A bank cannot grant to a person or firm a credit in cash or goods or under form of guarantee or security or under any form and in any way in excess of 10 per cent of his paid up capital and reserve funds.

This limit can, however be increased to 60 per cent for credits opened against a cover in gold or of bonds of internal loans to 20 per cent for credits against documents of exported goods and to 15 per cent for credits opened against cover in commercial goods

The following exceptions to these limits are permissible

(*a*) Participation in national industry in association with the State, State institutions or banks of which the capital is supplied by the State
(*b*) Operations carried out with establishments of which the bank owns at least 15 per cent of the capital
(*c*) Operations effected in conformity with the conditions of special laws.
(*d*) Operations with regard to the discount of Treasury bonds maturing at the latest in two years
(*f*) Operations with regard to letters of guarantee with a cover in cash or in bonds of internal loans
(*g*) Operations between banks
(*h*) Letters of guarantee given on the counter guarantee of foreign banks approved by the Ministries of Finance and Economy

Articles 26 *and* 27 Banks must constitute, in addition to the general assets which they are requested to hold as a counterpart of their engagements a supplementary reserve in bond of internal State loans or other script productive of equal interest with the consent of the Ministry of Finance The supplementary reserve must equal at least 15 per cent. of all the deposits which are shown in their quarterly statements

This total of 15 per cent., however, will be attained by instalments spread over five years, starting with 3 per cent at the end of the first calendar year and increasing subsequently 3 per cent per annum

Should a decrease in deposits call for a reduction of this supplementary reserve, the Treasury will upon demand of the bank immediately convert into cash that proportion which must be realised, and this at the purchase price. These special reserves must be shown in a separate account and cannot be mortgaged or used in any operations whatever

Article 28 The amount of savings deposits which any bank can accept depends upon the amount of the paid-up capital in Turkey From three times the total of its capital when this latter is less than £T 500.000 it gradually rises to seven times the total if the capital is over £T 4 000,000

Article 29 Savings depositors are privileged creditors to the extent of 40 per cent of their deposits, on all the assets of the bank In case of failure of the bank this privileged portion of savings deposits is payable without having to await liquidation

Article 31 Besides the reserves imposed by article 462 of the commercial code and by their own statutes, banks must deduct from their annual

net profits 5 per cent. against eventual losses. This deduction must be continued until total reserve funds equal the total of paid-up capital. Such deductions are not subject to profits tax.

Articles 32 to 38.—Certified quarterly accounts as well as annual accounts must be submitted to the Ministries of Finance and Economy, and these must be published in at least two newspapers, of which one must be the *Official Gazette*. Foreign banks must draw up these statements in the prescribed form and must show the capital employed in Turkey, the operations effected in Turkey, and must also give the annual general balance sheets of their banks.

Banks must draw up their accounts and balance sheets in Turkish currency.

Turkish banks must show separately the capital employed by their branches abroad and the operations and accounts of the latter.

Turkish banks may divert a portion of their capital to branches abroad but only within the limits fixed by the competent Ministries. Foreign banks working in Turkey cannot use abroad, under the form of investments or deposits, the capital which they have assigned to their branches in Turkey, and banks in general cannot thus use deposits which they have accepted without the consent of the Ministries of Finance and Economy, nor can they utilise them in the acquisition of shares not quoted on Turkish bourses, or in the opening of credits against such shares.

Article 45.—Companies, concessionary or otherwise, actually working or which may in the future work in Turkey, as well as banks, are called upon to invest, in transferable securities by virtue of article 26, the whole of the legal reserve funds which they are obliged to collect from their annual profits of the commercial year 1935 and of succeeding years, in accordance with article 462 of the commercial code. This must be done immediately after their balance sheet has been approved by general meeting.

If these banks or companies are later obliged to sell these securities to cover losses these will be converted into cash by the Treasury in accordance with article 26.

Reserve funds created in virtue of article 31 of this present law are also subject to this procedure.

The Ottoman Bank is not directly affected by the new law, as it has already conformed to the majority of the requirements of the new law, and any stipulations of the law which are contrary to the bank's act of concessions are not applicable.

Trade.—As already stated in previous reports, the Turkish Government controls trade by an economic policy consisting of a rigid supervision of exchange operations, application of quotas, and by means of agreements with other countries based on the balance of trade or balance of trade and payments. No detailed import and export figures have been published for the year 1935, and, therefore, it is not possible to give any detailed analysis of the distribution of Turkey's overseas trade.

The following table showing Turkey's imports and exports over a number of years, may be of interest:

	Imports Millions £T	*Exports Millions* £T	*Difference Millions* £T
1925	241 6	192 4	− 49 2
1926	234 7	186 4	− 48 3
1927	211 4	158 4	− 53 0
1928	223 5	173 5	− 50 0
1929	255 9	155 4	100 5
1930	147 5	151 4	+ 3 9
1931	126 6	127 2	+ 0 6
1932	86 0	101 3	+ 15 3
1933	74 7	96 2	+ 21 5
1934	86 8	92 1	+ 5 3
1935	88 8	95 9	+ 7 1

It will be observed that in 1935 there was a favourable movement compared to the two preceding years both as regards the volume of trade and Turkey's trade balance.

Industry.—In a speech made by the Minister of National Economy to the Turkish Industrial Congress he recalled the objections put forward when it was first decided to industrialise Turkey. These were:—

(*a*) That the creation of industries in Turkey would diminish imports. Customs receipts would drop and the budget would suffer. Turkey would therefore be well advised to remain an important producer and exporter of raw materials.

(*b*) That Turkey was essentially an agricultural country and should remain so, as there were grave risks attendant on the industrialisation of an agricultural country.

(*c*) That the plan of industrialisation could not succeed because there was a lack of skilled labour.

(*d*) That the State's operation of the industrial plan left no scope for private enterprise.

M. Bayar declared that the citizens of Turkey had seen the results of the first industrial plan, and none any longer sustained the above objections. For:—

(*a*) While it was true that customs receipts had dropped, *e.g.*, the creation of the sugar industry had meant a loss of £T 18 million in customs duties, budget receipts, as a whole, had increased, being £T 195 million in 1935 as compared with £T 170 million in 1933. Again, the creation of industries had resulted in greater employment throughout the country.

(*b*) Agriculturalists were unanimous in blessing industrialisation, as it had brought about a rise in prices of raw materials and of agricultural produce.

(*c*) While it could not be denied that there was a lack of skilled and technical workers, still demand has called forth supply and with some foreign help, the initial and most difficult stage of the Government's plan was being passed without much difficulty, and at the same time local skilled elements were being trained and absorbed into employment.

(*d*) As regards the alleged menace to private enterprise, the Government denied the allegation. Their goodwill to private enterprise was shown by the continued existence of the Law for the Encouragement of Industry. The Government, however, had to take into consideration the fact that private enterprise in Turkey was, at present, so unimportant that if the industrialisation of the country were left dependent on it the task would require centuries to complete. The Government had, consequently, come to the conclusion that the State alone could make Turkey an industrial country in a short time. At the same time, the State had tried to secure the co-operation of private enterprises in the work of industrialisation, but on condition that there should be no harmful trade rivalry, and undue concentration of all private capitalists on a few industries. The State had therefore defined certain zones within which private enterprise could devote itself to certain specified industries. No one had taken advantage of this scheme. The Government was forced to the conclusion that the private capitalist was concerned more with his own profit than with the national welfare. Private enterprises, in effect, in Turkey could be classified under three heads:—

(1) Those that were a screen for foreign capitalists who found it to their advantage to operate in certain countries, and who were distinct from foreign capitalists who adapted their activities to Turkey's economic structure.

(2) Those who got permits for the construction of factories for the purpose of speculation.

(3) Those who took advantage of the State's policy of protection to further their own personal and short-sighted interests, without regard to the requirements of the State's economic policy.

It will be seen from the foregoing that M. Celâl Bayar, while theoretically welcoming the collaboration of private enterprise in the industrialisation of Turkey, finds no place for it in practice. In the execution of the industrial plan "the interests of the nation rank before those of the individual"

Having thus disposed of objectors and of private enterprise, M. Bayar proceeded to indicate the points to which urgent attention must be given. These were:

(a) *Training of Youths in all Branches of Industry, and particularly in the Mining Industry.*—Thirty-five students must be sent to study abroad each year and Turkey must have at least 100 young mining engineers by the time the five-year plan was carried out. With the help of the Sümer Bank, students in other branches of industry would be trained abroad. Boys would also be sent to foreign countries to qualify for the mercantile marine service. The School of Arts and Crafts would be improved so as to ensure a good supply of specialised workmen.

(b) *The Mining Industry and Electrification.*—Minerals were the chief means of payment for Government purchases abroad, so there must be a national mining policy. The mines cannot be left at the mercy of individual interests and of speculators with the result that up-to-date technical methods and ideas were noticeably absent. A metallurgical industry must be created. The search for oil must be continued. Efforts must be made to produce synthetic petrol and its derivatives. This was not only a matter of national economy; it was most important for national defence. The production of synthetic petrol would therefore occupy a prominent place in the second five year plan.

The annual report of the Sumer Bank for the financial year 1935 also dealt with the progress made by the Turkish Government towards the realisation of the first five year industrial plan. In this connexion the report drew attention to the Kayseri textile factory. This factory started to operate as from the 15th September 1934, and in the opinion of the Sumer Bank, the quality of the material produced is superior to material of a similar kind manufactured abroad.

The paper and cardboard factory, the construction of which was taken in hand in 1935, is now functioning. Plans have been drawn up for the addition of cellulose works, the construction of which will be taken in hand during the current year.

Work on the proposed Eregli textile factory has been carried out and the necessary machinery is now being fitted, and, according to the report, the factory should commence operations in August of this year, when it is hoped to produce cotton goods of a superior quality.

The sulphur factory at Kecibarlu and the attar of roses distillery of Isparta commenced operations at the beginning of the year 1935.

Among the most important factories which are being constructed is that of the Nazilli textile factory. The first section of this large factory has now been completed, and, according to previous estimates, it should commence to function towards the middle of the year 1937.

In order that this factory should specialise in the manufacture of a quality known on this market as "Indiennes," which is not and has never been, produced in Turkey, sixty-five students have been sent to Russia to acquire the necessary technical knowledge.

The report then went on to draw attention to the Bursa merino factory. Constructional work was taken in hand in November 1935, and it is hoped that it will commence to operate in the course of 1937. This will also be the case in regard to the artificial silk factory which is being erected at Gemlik. Experts have been sent abroad to acquire technical knowledge.

In order to complete the national textile industry, it is proposed to erect another factory at Malatya, through the combined efforts of the Sümer Işçi and Agricultural Banks.

It is also proposed to establish a yarn factory at Egirdir, in order to absorb the cotton grown in that region.

The report then made a reference to the iron and steel industry which it is proposed to institute at Karabuk, near Safranbolu.

Surveys have already taken place and experts are drawing up a report on the productive capacity of this proposed foundry. Several large combines are said to be preparing offers and the Sumer Bank hopes to take a decision relative thereto during the year.

The report emphasised the fact that Government facilities are required in order to develop national industry.

The creation of chemical and ceramic industries is also contemplated, and the report also alluded to the second five-year plan. It stated that during the realisation of the first five year industrial plan a second one had been envisaged by the Turkish Government in order to develop Turkish exports, and thus increase her favourable trade balance, not only by means of the creation of new industries such as those already specified, but by the industrialisation of Turkey's exportable produce as well. Although no definite programme has been drawn up the Ish Bank will play an important rôle in this connexion in view of the fact that this institution was created for the exploitation of national mines.

The report contained an account of the satisfactory results obtained by the different national factories already in operation and in this connexion the following table is of interest:

Year	Profits	Percentage of profits (+) or (−) as compared with previous year
1930	115 12	+ 15 12
1931	105 23	− 8 78
1932	105 04	− 0 20
1933	127 70	+ 21 58
1934	182 53	+ 42 93
1935	206 40	+ 12 86

Sales to the State have increased.

Sales of cotton goods in 1934 increased by 12 per cent. compared to the preceding year and by 97 per cent. in 1935.

On the other hand there was a drop of 12 per cent. in woollens in 1935 as compared to sales in 1934.

Sales of the Beykoz textile factory increased by 71 per cent. in 1934, as compared to 1933 and by 51 per cent. in 1935.

The report concludes with a survey of:

(a) Prices of national raw material;
(b) The effect which certain amendments to taxation have had on prices;
(c) The means by virtue of which the Sumer Bank can assist the agricultural programme of the Turkish Government in order to intensify cotton production and to ameliorate qualities, and
(d) The changes effected in the administration of certain factories such as the Fezhane, Hereké and the "Union sucrière," which was created in 1935.

At the express desire of the Turkish Government, measures were taken to increase sugar consumption by a reduction of prices. This has been achieved, as consumption has now increased by 40 per cent.

Agriculture.—The Turkish Government, taking into consideration the difficulties with which the peasants have had to contend in order to settle loans acquired from the Agricultural Bank, promulgated a law in 1933 extending these terms of payment by an additional term of five years. This measure was, however, found to be an insufficient alleviation and in these circumstances the period of grace was extended by an additional term of ten years. Interest has also been reduced from 5 to 3 per cent.

By virtue of a law dated the 16th December the Turkish Government released the value of the grain allocation to necessitous peasants from LT. 1 million to LT. 2,250,000. This grain will be distributed at cost price to peasants in areas who have suffered through drought or from other unfavourable climatic conditions, and the value of the grain will be repaid in two years either in cash or in kind.

This term of payment may be extended by the Turkish Government.

With the exception of the cereal and olive oil crop due to lack of rain, crops in general were most satisfactory in 1935 :—

	1935.	*1934*	*1933*
Raisins (tons)	80,000	50 000	60,000
Figs (tons)	32,000	28,000	30.000
Cotton (bales)	184 000	170 000	75,000
Tobacco (tons)	38,000	35 000	
Cocoons (kilog.)	2,000,000	1,900 000	
Nuts (tons)	56 000	28 000	45,000
Opium (kilog.)	225.000	190 000	320,000
Wheat (tons)	2 500 000	2 720 000	
Barley (tons)	1 300 000	1 670 000	
Olive oil (tons)	12,000	25 000	
Wool (tons)	16 000	14 000	
Mohair (tons)	5 000	4 300	

Shipping Policy

Negotiations are proceeding between the Turkish Government and a number of shipbuilders with a view to acquiring additional units for Turkey's Mercantile Marine under the credit of £T 10 million voted by the Grand National Assembly but the difficulty lies in the question of payment through clearing agreements.

Aviation

In the Budget debate in the Kamalaya on the 20th May the Minister of Public Works spoke of the programme for the civil air services.

M. Ali Cetinkaya said that the air services were formerly attached to the Ministry of National Defence but had been transferred to the Ministry of Public Works. At the time of the transfer the equipment consisted of a poor hangar and two old and unreliable aeroplanes. To establish the air services on a new footing three English planes of the Dragon Rapid type, each carrying six passengers and wireless equipment were obtained and a regular passenger and mail service between Istanbul and Angora was inaugurated on the 25th May. A pilot and mechanics had received training in England and the machines were considered a very safe type.

Referring to his immediate programme the Minister stated that it was proposed to acquire two larger aeroplanes of the same type, with four engines and accommodation for twelve passengers, and to run services between Istanbul and Smyrna, and between Istanbul, Adana, Aleppo and possibly Diarbekir. Ultimately it was hoped to increase the number of aeroplanes to twelve and to establish a service to Iraq and Iran for which the necessary expenditure was estimated at £T 1 million. The Aero-Express station and equipment at Buyukdere (near Istanbul) had been bought with a view to running services from there to Odessa, Athens and Varna, and they had acquired the old racecourse at Angora for use as an aerodrome for passenger traffic. It was also proposed to build new air stations in Istanbul and in other parts of Turkey.

The regular air service between Istanbul and Angora started to operate on the 25th May. The single fare is £T 22 and return fare £T 36, the return ticket being valid for fifteen days.

The time table is now as follows :—

Angora	depart 10 00.	Saturdays 14 30.
Istanbul	arrive 11 50.	Saturdays 16 20
Istanbul	depart 15 30.	Mondays 7 00
Angora	arrive 17 20	Mondays 8 50

It is announced that it will be possible to make pleasure flights at Istanbul and Angora on Saturdays and Sundays.

The budget for the year 1936-37 of the Administration for the operation by the State of air lines has been fixed at £T 600 000 for revenue and £T 597 000 for expenditure.

The vote for the year 1935-36 was £T 600.000 under revenue and £T 600 000 under expenditure, but during that year these votes were increased to £T 850,000 both on the revenue and expenditure side.

According to information supplied by the Ottoman Bank the sources from which revenue is derived are as follows :—

	£T.
Government subsidy	450,000
Exploitation	86 000
Miscellaneous	64,000
	600,000

It will be seen that the Government subsidy represents the main source of revenue.

The principal items of expenditure are as follows :—

	£T
Purchase of aircraft and motors	140,000
Installations	150,000
Purchase and installation of wireless and meteorological sets	50 000

It is the intention of the Administration to acquire, at a cost of £T 39,000 six auxiliary motors for the three aircraft purchased in 1935 and two aircraft for long distance flights at a cost of £T 50.000, as well as material for the workshops (£T 10,000) and 4 lorries, 4 lorry and three motor cycles (£T 11,000).

An agreement was reached in March between the Société Air France and the Soc. A. Lloyd Aereo, whereby the former will carry mails between Istanbul and Bucharest and the latter will carry them between Istanbul, Angora, Aleppo and Damascus.

The section of this service to be operated by the Société Air France is of course part of the trans-European passenger service which operates daily between Paris and Bucharest and twice weekly between Istanbul and Paris from May to October inclusive.

Military Aviation

On the 25th December the Turkish Government voted a law by virtue of which the Ministry of National Defence was authorised to enter into contracts for the sum of £T 21 500 000 of which £T 20 million are to be expended on the purchase of aircraft, aircraft engines, spare parts, aircraft equipment, wireless, bombs, petrol, &c., and £T 1 500 000 on constructions and buildings (presumably landing grounds and hangars). The total sum is to be spread over the years 1936, 1937 and 1938 with a yearly limit of £T 7 200,000.

Public Finance and Government Indebtedness, Currency, Credit and Exchange Policy

Early in the year the position as regards foreign exchange was extremely critical and it was feared that unless relief could be obtained by an advance from the French Government the Turkish Treasury would be unable to meet, even by mobilising all its resources, its foreign engagements. It was generally believed that the Ottoman Public Debt payment in May would be met in any case but that unless some financial assistance was obtained the payment of the November coupon would be very doubtful.

In 1932 the Assembly appointed a financial commission to examine the budgetary situation and this commission in its findings drew attention to the fact that the Government had undertaken contractual obligations beyond their capacity of payment and that it was essential to lighten this burden. As the result credits previously voted for public works and for the Ministry of National Defence were annulled in June 1932. In 1933 however, the Assembly once again voted credits for public works and National Defence and, moreover, these credits were supplemented by reason of Turkey's repurchase of foreign concessionary companies.

The principal and in fact, the only considerable source of foreign exchange on which Turkey can count is the money put at the free disposal of the Central Bank of Turkey under various clearing agreements, and this source is naturally affected by the volume of Turkey's exportabilities and the fact that under the Greco-German Trade and Payments Agreement the 50 per cent. margin due to Turkey by Germany must be utilised for payments in Germany.

All these factors were carefully examined by the Ottoman Public Debt Commissioners, with the result that after preliminary discussions with the Turkish Government negotiations took place in Paris with a view to establishing

a *modus vivendi* agreement whereby Turkey, whilst maintaining the value of the annuities would be able to alleviate her foreign exchange situation

An agreement was reached on the 7th May last by which the majority of bondholders (French, English, Austrian, Belgian Dutch, Hungarian, Italian and Swiss) will receive half their annuities in foreign currency, and as regards the balance of 50 per cent a repartition bond will be delivered to holders to establish their right to benefit from the proceeds of the sale in France of goods to be purchased in Turkey with a corresponding amount of Turkish liras.

Budget

The budget estimates for the financial year 1936 37 provide for a total revenue of £T 216,890,000 as compared with £T 195 013,000 in 1935 36, an increase of £T 21 877,000, whilst the estimates of expenditure amount £T 216,882 265 as against £T 195,011 000 in 1935 36, an increase of £T 21,871,265

On the basis of these estimates a small surplus of £T 7 735 is provided for

The marked increase in the estimates of revenue is not so great in reality as it appears to be, as the following sources of revenue which existed during the current financial year but were not incorporated in the 1935 36 budget have been included in the 1936 37 estimates

	£T
Tax on wheat	6 600 000
Aviation tax	3 500,000
Total	10,100 000

The real increase in revenue amounts therefore to £1 11 770,000 and is based on the surplus realised during the first eight months of the current financial year

Increases are anticipated in the revenue from the tax on live stock profits tax customs duties transaction and consumption taxes monopolies, aviation taxes and the crisis and equilibrium taxes whilst decreases are budgeted for on land house property taxes and the consumption tax on sugar

As regards expenditure the proposed vote for the Ministry of National Defence shows an increase of £T 9 350 000 distributed as follows

	£T
Army	4 007 447
Navy	1 851 484
Aviation	3,507 200
Military factories	32 000
Cartographical section	151 869

The total estimated vote for the Ministry of National Defence is £1 06,562 308 to which must be added the amounts payable in respect of past contracts which are included in the vote for public debt

Other departmental estimates which show an increase are —

	£T
Ministry of Finance	3,486 000
Ministry of Public Health	800,000
Ministry of Education	1,800,000
Ministry of Economy	400,000
Ministry of Agriculture	3,700.000
Public Debt	352 642

Industry, Mobilisation and changes in the extent to which the Country is dependent on Foreign Sources for the Supply of essential Commodities in the Event of War

In the preceding six monthly report reference was made to the negotiations between the Turkish Government and Messrs H A Brassert and Co Limited of Brook House Wadbrook London E C 4 for the institution of works providing for furnaces and plant for the manufacture of iron and steel A preliminary financial agreement has been signed between the Sumer Bank and representatives of Messrs Brassert on which occasion there was a very marked demonstration of pleasure on the part of Turkish officials and of the Turkish press

The preliminary financial agreement provides for the erection of the aforesaid works at an estimated cost of £2 500,000

These works will have an annual productive capacity of 150,000 tons of iron and steel

The signature of the final agreement is dependent on the setting up of an Anglo-Turkish Comptoir through which certain minerals to be designated by the Turkish Government will be marketed in the United Kingdom and certain other countries. The foreign exchange derived from the sale of these minerals will serve as a cover to the Treasury bonds which are to be issued in sterling at periods to be determined in the contract.

Investigations have been effected as to the quantity and quality of the minerals in question, and a full report thereon is being drawn up by Messrs. Brassert's mining experts

According to the Turkish press, boring operations for oil are being carried out near Murefte (Sea of Marmora) by Turkish engineers with the co-operation of two American specialists named Russell and Kist

The pressure of the emanations is reported to be very high one newspaper stating that as much as 60 000 cubic metres of gas issue daily and that the gas has a benzine content of 2 per thousand

The Institut des Mines which was created last year has been prospecting in the districts of Mardin and Murefte Operations in the Mardin area are progressing and borings have reached a depth of 1 100 metres At Murefte they have recently reached 125 metres but the experts in this locality have noticed gas emanations believed to contain benzine the existence of which leads to the belief that oil may be located Borings will be continued and with this object in view a engineer has recently gone to Roumania in order to obtain additional special apparatus

Representatives of the Iraq Petroleum Company called at this Embassy in October last On that occasion they stated that they had come to Turkey on the initiative of Yunus Nadi, owner-editor of the *Cumhuriyet* and *Republique* newspapers who with a partner floats a piece of land near Sinope, presumed to be rich in oil in which he desired to interest the Iraq Petroleum Company with a view to its exploitation by the company in conjunction with himself The principal representative of the Iraq Petroleum Company Mr Norvel Baker (who is a geologist and an American citizen) stated that he thought very little of the prospects of oil in the Sinope region but he proposed to examine the district as well as other regions suggested by Yunus Nadi in Bayburt and Rize in the hope of obtaining through the latter, in return, permission to prospect for oil all over Turkey The Iraq Petroleum Company according to Mr Baker, thought that oil might be found (*a*) in Iraq, south of the Turco Iraq frontier, near Mardin, and (*b*) in Syria, near the Turco Syrian frontier The company wished to prospect in Turkey near these two points and also in the Adana district If they found that there were good traces of oil, they would consider applying to the Turkish Government for permission to drill in Turkey

These representatives also stated that Yunus Nadi had suggested a scheme providing for the establishment of a refinery by a company which, in return, would be given the marketing rights in any oil found in Turkey

Subsequently Mr Baker accompanied by Mr Lancelot Owen of the Royal School of Mines, and a Mr E J Daniel a geologist, came out to Turkey with a view to surveying petroliferous areas in the Sinope and Kastamouni Trebizond, Erzerum and Van districts

This survey was expected to take from six to eight months

Communications

Railways —In the course of the budget debate the Minister of Public Works stated that as regards the line which is being built from Filyos towards Zonguldak construction would be carried as far as Catalagzi This will enable the Turkish Government to begin this year the transport of coal by rail to the centre of Anatolia The continuation of the line towards Zonguldak will entail the piercing of a great many tunnels, but the Minister stated that the task would be completed in 1937

He went on to say that the Sivas Erzerum line will be finished in 1940 The line from Sivas will reach Divrik in 1937 and Erzincan in 1938, and a branch line from the Sivas Erzerum line to Malatya will be finished in 1937

The Afyon Antalya line has reached Burdur

The Turkish Government have had offers from two Swedish groups for the construction of lines from Diyarbekir to the southern frontier via Mardin and from Elaziz to Muş via Palu and Çapakçur, and the same groups want to construct the line from Zonguldak to Eregli, the port of Eregli and the port and breakwater of Trebizond.

Concessionary Railway Companies.—The Minister stated that the question of these companies must be finally settled and that negotiations with the Orient Railway Company would shortly be begun. It is estimated that the value of the line is £T 25 million liras, and the capital utilised for operation of the line is £T 5 or 6 million liras.

State Railways.—The provisional figures of income and expenditure on the State Railways for the financial year 1936/37 as voted by the Grand National Assembly are as follows:—

	£T
Revenue	23,370,000
Expenditure	22,564,000

The revenue vote represents an estimated increase of £T 670,000 over last year's vote (which was £T 22,700,000) to be derived from the operation of 423 kilom. of new lines, to which a further 165 kilom. will shortly be added.

The receipts for 1935/36 only attained £T 21,500,000 odd and were thus more than £T 1,500,000 short of the estimated revenue. The reason was doubtless the reduction of transport rates and the fact that the cereal crop fell short of estimates.

Roads.—An asphalt road is being made from Istanbul to Edirne and part of the road to be used for Irano-Turkish transit traffic is being constructed. The section in the Gumushane Vilayet is finished, and the parts in the vilayets of Erzerum and Agri are being tackled.

Economic Penetration.

A useful appreciation on German economic penetration published by the *Ulus* was furnished under cover of a despatch No. 104 E. of the 10th April as well as a memorandum prepared by the commercial secretary which was transmitted under cover of despatch No. 103 E. of the 10th April.

The Turkish Government is fully alive to Germany's economic penetration, and there is no doubt that the signature of a final contract with Messrs. H. A. Brassert and Co. (Limited) for the creation of an iron and steel industry will be extremely gratifying to the Turkish Government.

[R 4479/294/67] No. 20

Sir P. Loraine to Mr. Eden (*Received July 24*)

(No. 78.)
(Telegraphic.) *Constantinople, July 23, 1936.*

YOUR telegram No. 41, paragraph 1.

I am much obliged. Situation is now perfectly well understood both by Turkish Government and by myself. I saw Acting Minister for Foreign Affairs after lunch yesterday and again in the evening before his train left for Angora. We carefully compared our recollections and notes and are agreed that though there has been misunderstanding it has been in regard to technical implications not on underlying intentions, and that essential community of outlook and comprehension has remained quite unaffected. I should like to add that Turks' willingness indeed their anxiety to understand receptively each phase of our ideas has been total. May I beg you to appreciate that principal purpose of my telegram No. 60 of 14th July was to elicit whether statement by Italian Ambassador here, that His Majesty's Government had declared lapse of December assurances, was correct that your telegrams Nos. 139 and 144 although despatched the following day, did not reach me till 17th July, and that your telegram No. 25 to Rome, to which they referred, did not reach me till 20th July, although you had despatched it to Sir E. Drummond on 11th July. Therefore, when answering Acting Minister for Foreign Affairs on the telephone (see my telegram No. 65 and his enquiry imperatively needed a reply, I had to resort to guesswork based on other correspondence *e.g.*, telegrams from Athens, as regards actual terms of your reply to Italian Government.

Reference Paragraph 2.—Yes. Italian notes have been conveyed to Turkish Government and Turkish representative has been sent text of Turkish reply thereto for communication to you as for the change in general situation brought about by Italian assurances to Turkey, Yugoslavia and Greece. I have thought it advisable, in view of complete frankness that has characterised my intercourse with Turks and to which they best respond, to give Acting Minister for Foreign Affairs an indication of the current of your thoughts. He did not take it amiss at all, but I regret to say that a recent interview he had with Italian Ambassador (see my immediately following telegram) has quickened his suspicions of Italian policy.

Reference Paragraphs 3 and 4.—Position has materially altered due to fact that Turkish Government had already telegraphed on 20th July to their representative in London to give you Turkish unilateral assurance. I have nevertheless, told Acting Minister for Foreign Affairs that, although you appreciated the warmth of their loyal impulse in this regard, you entertained considerable doubts on ground of wisdom. However Turks had acted before I could intervene and their action is not revocable. But it may ease your mind to know that Acting Minister for Foreign Affairs and I have compared our impressions in regard to effect of Turkish unilateral declaration on Italy and are agreed in assuming that Italians have not taken it at all badly and have as yet shown no sign at all of taking umbrage (parenthetically, my impression is derived from Italian Ambassador who paid me yesterday morning a personal and explicitly non-official visit to bring to the ice which has rather encrusted our relations since the autumn).

Reference Paragraph 5.—I am most grateful for these broad indications of your views. As regards a general Mediterranean pact I [illegible] group undecipherable anticipated them for when I had used language to Acting Minister for Foreign Affairs reported in my telegram No. 71 he asked me whether conclusion of such a pact was one of your immediate objectives. I replied "No, not immediate but distinctly distant." I have now re-emphasised this. In this respect Turkish ideas are again exactly in step with yours.

Lastly, Acting Minister for Foreign Affairs has given me texts, which you will already possess of (1) reply to you about Mediterranean assurances and replies of Italian Embassy here about (2) Mediterranean assurances (3) Italian pacific assurances. I await text that you foreshadow.

(Repeated to Rome, Athens, Belgrade and, Saving, to Bucharest.)

R 4502/294/67] No. 21

Sir P. Loraine to Mr. Eden.—(*Received July 26.*)

(Nos. 84 and 85.)
(Telegraphic.) *Constantinople, July 25, 1936.*

MY telegram No. 78.

As a result of a long conversation with Minister for Foreign Affairs, may I, I cease, beg you earnestly to go very slowly as regards withdrawal of unilateral assurances to Turkey. The position here, now that Turkey has given His Majesty's Government a unilateral assurance, is quite different to what it appears on the surface.

2. The Turks do not fear an Italian attack, nor do they believe in any likelihood either of assurances being operative, although Italian assurances do at present carry much conviction here. Turks do not wish to belittle them or additional confidence they doubtless acquired through having been officially communicated to you. Turks would neither misunderstand nor resent it if you told them that for the sake of securing Italian collaboration in Europe generally you were terminating British assurance of what is no longer appropriate to the circumstances and as being an obstacle to such collaboration, though they would actually

doubt whether you would achieve your object by these means, anticipating that Italy would find other obstacles the removal of which was likewise a [two groups undecypherable], of her collaboration

3 It is for a quite different set of reasons that the Turkish Government would regret the termination of British assurance Its lapse would cut across their foreign policy as now determined in the light of events and results at Montreux, it would leave them fully in the air as regards obtaining interna support for that policy I do not believe they would expect even this argument to be specially influential with you except for their conviction that their policy is inspired by the same principles as that of His Majesty's Government, viz to ensure peace and security and is designed to serve the same purpose, viz to prevent splitting up of Europe into hostile camps

Group undecypherable respective unilateral assurances lend good the mere existence gives Turkey justification both externally *vis-à-vis* her Balkan partners and internally *vis-à-vis* Grand National Assembly for keeping outside multi-State security pacts which in their opinion would spell danger as commonly (1) an encirclement of Germany (2) encirclement of Italy and or (3) division Europe with hostile camps on pre 1914 lines

5 Recent passes at least are in early stage for aspect to include Eastern Little *Entente* Balkan *Entente* and Russia to a general alliance against Germany Germans (this was I am told) have recently taken soundings through Belgrade with view to pact between Germany Yugoslavia and Turkey whether it is intended to cover Greece and Roumania is not yet clear to me This would be a general alliance mainly against Italy against Russia

6 Both schemes appear to Turks to be fraught with gravest dangers as they wish to avoid being confronted with a Hobson's choice They have to some extent freed their hands vis-à-vis their Balkan friends by conceding absolute discretion to Greece and Yugoslavia to deal with the question of Mediterranean assurances exactly as they think fit in their own individual interests But Turkey's great anchor is unilateral assurances given by the United Kingdom and herself if this drags or parts she feels she will be drawn group undecypherable by into one or other vortex Otherwise the only alternative is isolation Isolation to company with demilitarisation would be perfectly tolerable Internal isolation unbearable

7 Minister for Foreign Affairs entirely confirms the view I had myself formed that Italians are not put out by Turkish assurance to United Kingdom He tells me he will exert himself to convince the Italian Ambassador here that the continuance of the British and Turkish assurance is actually beneficial to Italy for it is a guarantee that Turkey will join in no anti Italian *bloc* He would like to suggest to you that, so long as these two assurances stand His Majesty's Government may find in Turkey a very useful two groups undecypherable between themselves and Italy not in the least an obstacle or a stumbling block

8 Minister for Foreign Affairs seems to have returned from Montreux with distinct impression that with the exception of United Kingdom all larger European Powers, and many smaller ones are working frantically and quite unscrupulously for their own hand for this reason also he wishes to harmonise Turkey's policy more closely than ever with that of His Majesty's Government He wants no guarantees, he asks us to undertake no commitment, the existing assurances are quite enough for him but for the present their continuance is indispensable for reasons stated above

9 He emphatically disbelieves in the possibility of an effective Italo German understanding He thinks Herr Hitler and Signor Mussolini will make our flesh creep at danger of one so long as they can that even if there was such an agreement it would legitimate artificial group undecypherable] race that in a battle of diplomatical wits the dice are loaded in Herr Hitler's favour, that Signor Mussolini can hardly be such a fool as not to note this, that then as now his one line of salvation will be to seek an understanding with England

R 4513/294/67] No 22

Mr Eden to His Majesty's Representatives at Constantinople (No 47), *Athens* (No 113) *and Belgrade* (No 78)

(Telegraphic.) *Foreign Office, July 25, 1936*

MEDITERRANEAN assurances.

I propose in the course of a speech on foreign affairs in the House of Commons on 27th July to make the statement contained in my immediately following telegram The text of this statement will be communicated to the Turkish, Yugoslav and Greek representatives in London in the morning of 27th July You should make a similar communication in the early afternoon of the 27th to the Government to which you are accredited In doing so you should explain that this return to the normal situation does not of course in any way affect the traditional friendship of the United Kingdom with Yugoslavia Greece and Turkey, or the enduring interest which the United Kingdom takes in the well being of these three countries

(Repeated to Rome, No 200)

R 4513 294 67, No 23

Mr Eden to His Majesty's Representatives at Constantinople (No 48) *Athens* (No 114) *and Belgrade* (No 79)

(Telegraphic.) *Foreign Office, July 25, 1936*

MEDITERRANEAN assurances.

Following is statement referred to in my immediately preceding telegram

"Another sphere in which there are signs of definite improvement in international relations is the Mediterranean I would recall that on the occasion of the last Foreign Affairs debate in this House I referred to certain assurances which His Majesty's Government had given to certain Mediterranean countries in connexion with the imposition of sanctions and I then added 'It is the view of the Government that this assurance given by this country should not end with the raising of sanctions but should continue to cover the period of uncertainty which must necessarily follow any termination of action under article 16 Subsequently on the withdrawal of sanctions I made this declaration in a speech at the League on 1st July I did so, as I had explained to the House, with the object of making a contribution to establishing confidence in the regions concerned Happily, now, there are specific grounds for affirming that the position of uncertainty to which I then referred has now been brought to an end About the middle of this month the Italian Government made to the Governments of Yugoslavia, Greece and Turkey a spontaneous declaration The substance of these messages has been communicated to me by the Italian Chargé d'Affaires in London

"From this communication it emerges clearly that the Italian Government have approached the Turkish, Yugoslav and Greek Governments and have given to each of these three Governments the most clear assurances that Italy has never contemplated, nor is contemplating, an aggressive action against any of them in retaliation for their past sanctionist policy In expressing these views the Italian representatives in those three capitals have also emphasised that Italy considers the sanctions chapter as being completely and definitely over and that she looks confidently ahead towards a new period of mutual co-operation amongst all nations They have also recalled that between Italy and Greece and between Italy and Turkey Treaties of Friendship are in existence with which Italy has never failed to comply and which the Italian Government intend fully to respect With Yugoslavia Italy intends to set to develop the same good relationship she enjoys with Turkey and Greece

"I think the committee will agree that the information which I have just given to it fully justifies the conclusion that the circumstances which in the view of His Majesty's Government had made it desirable to give these assurances no longer exist, more especially, as I stated at the time, that they were intended to operate 'only so long as in the opinion of the Government they remain appropriate to the circumstances'. I am therefore glad to be able to recognise and declare that in the view of His Majesty's Government there is now no further necessity for the continuance of these assurances."

(Repeated to Rome, No. 291.)

[R 4498/294/67] No. 24

Mr Eden to Sir P. Loraine (Constantinople)

(No. 49.)
(Telegraphic.) *Foreign Office, July 26, 1936*

YOUR telegram No. 86.

I have given full consideration to your telegrams Nos. 84 and 85, but do not feel that I can now reverse or delay contemplated action. My speech however and in particular the passages relating to Montreux will contain cordial references to Anglo-Turkish friendship and collaboration. These should I think be sufficient to enable the Turkish Minister for Foreign Affairs to continue his present policy without hindrance. You may, however, if you think it would be helpful in this direction, arrange for the publication of the messages exchanged between M. Aras and myself in regard to Montreux.

[R 4538/294/67] No. 25

Sir P. Loraine to Mr. Eden. (Received July 28.)

(No. 91.)
(Telegraphic.) *Constantinople, July 28, 1936*

YOUR telegrams Nos. 47 and 48.

As Minister for Foreign Affairs had unexpectedly and very fortunately cancelled his journey to Angora yesterday I was able to make to him personally at 2 P.M. a written communication in the sense of your instructions. He took it very well. In subsequent discussion of the effects, so far as concerns Turkey, of declaration which you have now made in the House of Commons your telegram No. 49 was very useful to me indeed, and Minister for Foreign Affairs quite appreciated that at the moment when my telegrams Nos. 84 and 85 reached you it was not possible either to reverse or to retard your action. He willingly accepted that valid set of reasons which had determined your action, he much appreciates that I should have explained to you and that you should have examined attentively the different set of reasons that were influencing the Turkish point of view.

2. It would adequately summarise his attitude to say that he can manage all right with situation created by your declaration, sees his way all right to adjust his forthcoming statement in the Grand National Assembly to somewhat altered circumstances, and feels able to carry on with his policy.

3. He does not propose to withdraw unilateral Turkish assurances to the United Kingdom.

4. He has seen the Italian Ambassador, has spoken to him in the sense foreshadowed in my telegram No. 84, paragraph 7, and has sent the Turkish representative in London an account of his interview for communication to you.

5. Italian Ambassador is limited that he himself was convinced of the good sense of the Turkish Minister for Foreign Affairs's views, and undertook to try to convince Rome. He added, however, that if in this connexion the statements in the Grand National Assembly were accompanied by any acid comment in the press or elsewhere, it would render his task in so doing well nigh impossible.

(Repeated to Athens, Belgrade, Rome and to Bucharest, Saving.)

E 4843/26/44] No. 26

Mr Eden to Sir P. Loraine (Constantinople)

(No. 51.)
(Telegraphic.) *En clair* *Foreign Office, July 28, 1936.*

MY immediately preceding telegram. Montreux Conference.
Statement opened as follows:

"The results of the conference can, in the view of the Government, be regarded as extremely satisfactory. The experience of this conference at Montreux embodies many lessons, but I think the committee will agree that the most important of those lessons is this. From the point of view of general European politics the conference has shown that treaty revision by negotiation and agreement, in accordance with the normal procedure and the normal principles of international relations and practice, can lead to a settlement more favourable to all concerned than the method of repudiation or the method of the modification of treaty engagements by unilateral action. The Montreux Conference has, in fact, furnished a valuable example to Europe of the progress which can be made by peaceful and legal methods of treaty revision, and there can be no doubt that the results achieved, from every point of view, and not least, let the committee mark, from the point of view of Turkey herself, have been infinitely more satisfactory than would have been the case had Turkey attempted to take the law into her own hands."

After brief summary of main points dealt with at conference, statement concluded:

I think the committee will agree that that very brief summary is a record of a successful conference, but before I leave the subject there is one other matter to which I want to refer. It is not directly concerned with the remilitarisation of the Straits, but it is of deep and intimate concern to the people of this country, and I must briefly refer to it. The future of our war graves on the Gallipoli Peninsula. In this connexion I am happy to be able to tell the committee that the Turkish Government have volunteered the most complete and satisfactory assurances. The text of those assurances is being made public in the white paper, but I feel that the committee would wish me to take this opportunity to thank the Turkish Government not only for the terms of their assurances, but for the spirit in which they were given. The effect of the conference has undoubtedly been to bring about a closer and more cordial understanding between His Majesty's Government and the Turkish Government, and that is a tendency which we welcome all the more in view of the very friendly relations which now exist between our countries. I should like to take this opportunity of paying a tribute to the Turkish Foreign Minister and the Turkish delegation for the tact and understanding with which they have handled this matter."

E 4968/369/44] No. 27

Sir P. Loraine to Mr. Eden.—(Received August 6.)

No. 388.)
Sir, *Istanbul, July 21, 1936.*

I HAVE the honour to inform you, with reference to my despatch No. 100 of the 24th February, that the Court of Cassation having recently quashed the decision of the Central Criminal Court acquitting Ali Saib Ursavas and others of complicity in a plot against the life of the President of the Republic, the case was referred again to the Central Criminal Court, which, on the 16th July, decided to uphold its previous decision of acquittal.

2. The Court of Cassation had quashed the decision on the grounds that certain evidence had not been heard during the trial and that certain allegations regarding the methods employed by the police in obtaining statements had not been properly met. The re-examination of the case lasted only one day and the Court confirmed its original decision after hearing a somewhat impassioned

speech by the public prosecutor and a vigorous protest at the verdict of the Court of Cassation delivered by the counsel of the accused.

3. The verdict of the Court of Cassation was probably actuated by unwillingness to confirm without more ado an acquittal on a charge of such awful import. The proceedings before the Criminal Court during the rehearing of the case seem to show that the quashing and reaffirmation of the original judgment were little more than formalities

I have, &c
PERCY LORAINE

E 4966 26 44] No 28

Sir P Loraine to Mr Eden (Received August 6.)

No 598.)
Sir, *Istanbul, July 27, 1936*

ON the eve of the signature of the revised Straits Convention, instructions were sent to the municipal authorities in Turkey to organise fitting demonstrations of joy and the signature itself announced by broadcast throughout the country, was celebrated with flags, illuminations, speeches and torchlight processions From the shore chattering crowds watched the arrival of the Turkish fleet at Çanak, and the troops were greeted with garlands and structures testifying re-entered the ruined forts of the Bosphorus and Dardanelles Atatürk has been acclaimed as having once more saved the Dardanelles this time by peaceful means and M Tevfik Rüstü Aras was given a guard of honour and a triumphal reception on his return from Montreux In a word, Turkey is well pleased with herself

2 In the press the successful issue of the Montreux Conference has been described as the well merited triumph of Turkey's policy of treaty revision by negotiation which should serve as an example to the rest of the world It is claimed that the new convention makes Turkey the most important guardian of peace in the Near East and full assurance is given that she will show herself worthy of this charge Satisfaction is expressed at the generally good reception which the new convention has received abroad and it is confidently hoped that its merits will soon be recognised by Italy and Germany The resentment feigned or real, expressed during the conference at the attitude of Russia has been dissipated in a reaffirmation of Turco-Russian friendship and in exchange of particularly cordial telegrams between the Russian Ambassador and the Acting Minister for Foreign Affairs, in which the former describes the convention as reflecting the strength and progress of Turkey in every domain and rejoices that the legitimate right and vital interest of the Turkish nation to re-establish its sovereignty over the Straits and to assure its security by means of its own forces should have received solemn recognition at Montreux

3. But it is Great Britain which is singled out as having made the major contribution to the settlement As stated in my telegram No. 74, Yunus Nadi in the *Cumhuriyet*, made honourable amends for his earlier violent attacks on the subject of the British draft by paying a handsome tribute to the gentlemanly working of British diplomacy and Great Britain's friendly gesture in making important concessions towards the close of the conference An article in the *Tan* entitled "Nos vieux amis, les Anglais," pointed out that until the end of the third quarter of the 19th century common interests had created a sincere friendship between England and Turkey, and that it was the reactionary policy of Abdul Hamid which later made England draw nearer to Russia and leave Turkey to her fate This policy had brought the two countries to war Since the war, England had changed her attitude towards Turkey, whom she now considered as an element of progress and peace, and whom she was beginning to esteem The Montreux Conference was the prelude to a new Anglo-Turkish friendship.

I have, &c
PERCY LORAINE

R 4779/134/7] No 29

Sir P Loraine to Mr Eden (Received August 7)

No 104)
(Telegraphic.) *Constantinople August 7, 1936.*

WHEN I last saw Minister for Foreign Affairs he told me just as I was taking leave that Turkish Government had appreciated greatly the friendly and helpful attitude of Bulgarian delegation towards Straits question during the Conference at Montreux

I thought opportunity was a good one to ask him whether he did not think would be a good idea to give Bulgaria some satisfaction of an adequate sort to bring her into Balkan *Entente* In doing so I made it clear that I was speaking solely on my personal account I was agreeably surprised at having it taken as a favourable response Turkish Minister for Foreign Affairs entirely agreed and added that it might moreover, be as well to work slowly and do what needed to be done before Bulgarian elections in October He pointed out that a successful issue ought greatly to assist in stabilising internal situation in Bulgaria in a healthy sense

I expressed personal opinion that his attitude was wise and that of all the Great Powers Turkey was probably the easiest power to take an initiative He did not demur What was in my head and I make no doubt, in that of Tewfik Rushdi also, was access to Aegean sea for Bulgaria It was common knowledge between us that difficulty would be to bring any Greek Government up to the scratch Would you wish me to pursue the matter further on these lines, I am open to was given to me Or do you consider circumstances are not ripe for attempt to tackle this question?'

(Repeated, Saving, to Athens and Sofia.)

E 5037 26 44] No 30

Sir P Loraine to Mr Eden (Received August 10)

No 411)
Sir *Istanbul August 4, 1936*

AS stated in my telegram No. 97 of the 1st August, the Grand National Assembly unanimously ratified the revised Straits Convention on the 31st July

2 In a speech submitting the convention to the Assembly the Minister for Foreign Affairs referred briefly to the various occasions on which Turkey had raised the question of the remilitarisation of the Straits in the past, and described as one of the essential characteristics of the new convention the fact that the re-establishment of full Turkish sovereignty in the Straits had been achieved by peaceful means and in a friendly manner and that Turkey's right to fortify the Straits had been recognised from the moment of signature He then referred to the special notice which had been given in the foreign press to the second paragraph of article 19 of the new convention, and after reading the text proceeded as follows

"The clear significance of this clause is that the high contracting parties to the convention have confidence in the peaceful policy and correct attitude of Turkey Indeed, no one in the world should doubt that we are going to apply integrally all the articles of the convention not only as regards the signatories but as regards all States whatsoever without making any distinction between them All the past history of the new Turkey is my impartial witness

"It is my pleasant duty from this tribune to express my thanks to all the contracting Powers which showed from the beginning that they well understood our point of view and to all the friendly and well wishing countries which without having participated in the conference by reason of their geographical situation or for reasons which have no concern with us or with the question of the Straits have by their press and by their attitude supported our thesis and rejoiced at the result obtained"

3 In the discussion which followed a Deputy expressed the hope that Italy would eventually sign the convention "in order that all apprehensions should be removed" This remark called forth loud cries of 'We have no apprehensions" and the Deputy had to explain that in using the word "apprehension" he had

nothing particular in mind, but was applying it merely in a general sense to European politics.

4. You will doubtless by now have received from the Turkish Chargé d'Affaires in London a translation of the text of the speech which M. Aras made subsequently in the debate on foreign politics in general and containing a special reference to yourself (see my telegram No. 96 of the 31st July).

5. The Prime Minister also spoke during the debate and, after paying a tribute to the service rendered by the Minister for Foreign Affairs, described the new convention as a document which confirmed the policy and existence of the new Turkish State since 1923. The power and prestige, he continued, which the administration of Ataturk had in so short a time given the Turkish nation in every domain had thus received consecration in the domain of international affairs. The Straits had been entrusted to the sovereignty of the Turkish nation without condition or restriction. "It may be regarded as an evolution in the peaceful life of humanity that it has been understood that Turkish sovereignty in the Straits is the most certain means of securing international peace." He then characterised Turkey's policy as being free from all rancour as regards the past as knowing no fear and as consecrated to peace. "At this moment when we have already armed the Straits I declare that in our foreign policy we shall not cease to follow a correct and peaceful course." Even under the conditions prevailing before the new convention, he continued, everything which it was possible to do had been done in preparation for the defence of the Straits and the present work of fortification would not entail new taxation. He concluded with an exhortation to the country not to rest on its laurels but to continue the work of progress already achieved.

I have &c.
PERCY LORAINE

[E 4887/1373/44] No. 31

Mr. Eden to Sir P. Loraine (Constantinople)

(No. 63.)
(Telegraphic.) *Foreign Office, August 10, 1936*

MY telegram No. 111 of 11th June. Proposed visit of Turkish fleet to Malta. Admiralty are anxious that normal visits between British and Turkish fleets should now be resumed, as it is desirable for His Majesty's ships to be able to include Turkish ports in their cruises. They are not anxious, however, that His Majesty's ships should visit Turkish ports again until the proposed Turkish visit to Malta has taken place.

Please therefore raise this question with Turkish Government in whatever manner you think best. A very convenient time from point of view of Commander in chief Mediterranean, would be during last fortnight of November and first fortnight of December.

[E 5067/26/44] No. 32.

Sir P. Loraine to Mr. Eden.—(Received August 11.)

(No. 415.)

HIS Majesty's representative at Constantinople presents his compliments to His Majesty's Secretary of State for Foreign Affairs, and has the honour to transmit herewith copy of a note from Captain Macdonald, British representative on the Straits Commission, dated the 3rd August, respecting the Italian attitude towards the Straits Commission.

Constantinople, August 8, 1936.

Enclosure in No. 32

Captain Macdonald to Sir P. Loraine

Istanbul, August 3, 1936.

Sir,

I HAVE the honour to inform you that a meeting of the Straits Commission was held to-day in order to discuss the arrangements which it will be necessary to carry out in order to comply with the provisions of the Convention of Montreux

in regard to the transfer of the duties of the commission to the Turkish Government.

2. During the course of our discussions, the Italian delegate, on behalf of his Government, made a formal reserve on the subject of the "proposed" dissolution of the Straits Commission, and stated that his Government maintained all the rights and powers conferred on it by the Straits Convention signed at Lausanne on the 24th July, 1924.

I have, &c.
M. H. S. MACDONALD,
British Delegate on the Straits Commission.

[E 5065/23/44] No. 33

REPORT ON TURKISH FINANCE

(By H. Somerville Smith, D.S.O., M.C.)

[*Communicated to the Foreign Office by the Export Credits Guarantee Department.* (*Received August 11, 1936.*)]

FOREWORD

I ATTACH a report on the progress realised by the mission that set out from London for Turkey on the 21st May, 1936, to investigate the possibilities of increasing Turkish exports to the United Kingdom to an extent sufficient to enable British manufacturers to accept orders from Turkey with a reasonable confidence that promises to pay in sterling could and would be implemented on the due dates.

2. The largest actual and potential buyer in Turkey is the Government. It has frequently been asserted that while negotiations leading up to a contract are difficult the signature of the Turkish Government once given has been invariably honoured during the years of the republic so far, at any rate as commercial transactions are concerned. In view of the widely advertised difficulties of the Turkish Government in finding sufficient exchange to finance debt service, imports of consumable goods, armaments, and the requirements of the industrial plan it was deemed necessary, without casting any reflections on the good intentions of the Turkish Government, to ascertain what means they had at their disposal to enable them to maintain their excellent record, in the event of their placing large orders in the United Kingdom.

3. A convenient starting point for our investigation was found in the enquiry received by Messrs. Brassert and Co. (Limited) from the Sumer Bank which is specifically charged with the realisation of the industrial plan) for the supply of a steel plant to be erected at Karabuk at a cost of approximately £2,500,000. If the order was accepted by Messrs. Brasserts the Turkish Government was prepared to pay sterling in London over a period of years for the plant and machinery exported from the United Kingdom. They were furthermore prepared to set up special machinery to ensure a sufficient supply of sterling to meet their obligations on the due dates. They contemplated an organisation with offices in Turkey and London which would sell selected Turkish products for free exchange, and devote the proceeds in the first place to payment for the steel plant. They stated that they could produce and sell, through the contemplated organisation, metals, mineral ores and concentrates to pay for the steel plant and leave a large margin for other purposes. Certain other special exports such as beech wood and box-wood could be utilised in the same way.

4. Messrs. Brasserts had already made an application for the department's assistance in the event of their obtaining the order for the steel plant. In considering this application the department's Advisory Committee recognised the importance of the proposal to establish special machinery for the realisation of sterling by the sale of Turkish products and recommended that it should be thoroughly explored. At the same time they felt that if Turkey's general financial position was not strong enough to enable her to meet other foreign commitments during the proposed period of credit for the steel plant, the special machinery to be established in Brasserts' favour might have an illusory value.

5. The general lines of the mission's investigation were thus determined in advance. Brasserts, with the assistance and concurrence of the department's

representatives, would negotiate a preliminary agreement with the Sumer Bank binding themselves to enter into a final supply contract if they were satisfied that Turkey could produce and sell, through the proposed organisation, sufficient minerals and other products to pay for the steel plant and leave a reserve, and that as a condition precedent to the final contract, a supplementary agreement were signed to the satisfaction of the department constituting this organisation and ensuring for it an adequate volume of special products.

6. During the negotiations Brasserts would conduct a special investigation into the production and possibilities of supply of minerals. The department's representatives would at the same time attempt to obtain much fuller information than was previously available (in the absence of published statistics) about Turkey's present financial and economic position and her future prospects, particularly as regards her balance of payments.

7. The mission consisted of Mr M. Mackenzie, a director of Brasserts, Mr W. Gore, M.Inst.M.M., Mr A. Steedman, a partner in Naylor Benzon and Co. (Limited) metal merchants, myself and my assistant Mr Kahn. On reaching Angora I was informed that the Turkish authorities were unwilling to take the unprecedented step of giving me free access to the financial data which I required until the preliminary agreement had been signed. It was accordingly arranged that Mr Mackenzie and I should devote all our energies to negotiating the agreement, that Mr Gore, Mr Steedman and their colleagues should commence their investigations into the mining situation, and that Mr Kahn should obtain as much information as the Turkish authorities were then willing to impart about their general trading policy, their agricultural plan, the success or failure of which will have important effects on future trade balances, and other connected matters.

8. Messrs. Gore and Steedman were able to commence their investigations at once. Mr Kahn was given considerable information in Angora and in Izmir and Istanbul which he visited under the auspices of the Turkish (which combines the functions of our Departments of Overseas Trade and Commercial Relations and Treaties) but he soon found that if he asked any questions the answers to which might afford a direct clue to the foreign exchange position of the country the official concerned would intimate that he was unable to give the information required without the express consent of the Minister.

9. The negotiations in connexion with the preliminary agreement for the Iron and Steel Works have already been reported in full to the department. It is sufficient to recall here that the agreement was signed on the 23rd June, and was the occasion of an exhibition of unusual enthusiasm on the part both of Ministers and of the Turkish press. It was announced on the wireless within five minutes of signature.

10. This date was my "zero hour" for the more important part of my enquiries and on the following day I duly presented myself at the Ministry of National Economy with the request that the promise to give me free access to the information which I required should be implemented forthwith. I obtained access to the Under Secretary of State at a late hour and was asked to present a written *questionnaire*.

11. On the 25th June I submitted a list of general questions covering:

(*a*) General organisation of Turkish administration.
(*b*) Budget: preparation of estimates, how voted, method of control: expenditure: relation of ordinary and extraordinary budget, method of dealing with supplementary credits and foreign exchange requirements &c.: analysis of taxation: effect on revenues of Industrial Plan: saturation point &c.
(*c*) Balance of payments: resources: estimated requirements: an examination of the foreign exchange budget: probabilities of drain on gold reserve: German position &c.
(*d*) Clearing arrangements: position of individual accounts: American position &c.
(*e*) Banks and banking policy: role of Central Bank and its relations with Treasury and other banks: day to day requirements of Treasury: limits of borrowing: discount policy: notes about other banks both State and private.
(*f*) The Railway Plan.
(*g*) The policy of the Government as regards foreign concessions.

I further asked for information about the First and Second Industrial Plans, and indicated that the answers to my general *questionnaire* might provoke further requests for more detailed information.

12. The attached report shows how far I was successful in obtaining the information I desired. The Minister of Finance proved recalcitrant for a time. Most of the required information is protected by a sort of Official Secrets Acts and the Minister saw no reason why in the interests of an ordinary commercial contract he should agree to a derogation from the general rule. Without full ministerial authority no official would take the risk of contravening the rule of secrecy.

13. Finally, however, he made a declaration, a copy of which is attached (Annex I), and with his permission I was able to discuss various aspects of Turkish public finance with Treasury officials, officials of the Ministry of National Economy, the Sumer Bank and the director general of the Central Bank.

14. The figures in this document require checking, and after a good deal of resistance I was shown the most secret document of all: the Budget of Foreign Exchange duly signed by the President and by the Cabinet. As it was written in the Turkish language on tissue it was not the practice of the Treasury to reveal to me the exact amounts and designation of payments for armaments. I was able to ascertain the total sterling area and dollar area, but further explanations were refused.

15. I left Angora on Monday evening, the 29th June (Mr Kahn had left a few days earlier) reached Istanbul on the following morning, and settled with Mr Kahn by going that evening to spectacular performance of the Minister of National Economy for Bursa, at which I was the guest of the silk mills. On the afternoons of the 23rd and on the 24th I saw members of the British Chamber of Commerce in Istanbul who were anxious to lay before me the grievances in connexion with the Payments Agreement which had already been communicated to the Embassy over the last three or four months. On the 25th I left for London.

16. It may be felt that the amount of information which I have been able to obtain was quite disproportionate to my long stay, but to those most familiar with the difficulties encountered by the searcher for economic and financial truth in Turkey and to particularly in Angora it was a matter for surprise that I was able to leave when I did. Ministers and heads of departments are overworked and at the same time, chiefly because the civil service is still very new though promising, they were unprepared to allow their subordinates a free hand to give me any information I required.

17. I feel that I have been particularly fortunate in the composition of the mission. Angora is not Istanbul. In Angora one is in the public eye at every moment of the day and one makes no movement which is not observed with the utmost care by competing interests or the critical eye of the Turkish authorities. The quiet confidence and unruffled good cheer of my colleagues have been the object of favourable comment on all sides.

18. It is difficult to express in adequate terms the gratitude we owe to the British Ambassador for all he has done to facilitate our task. The cordiality of our reception and the sympathetic consideration which we received throughout can undoubtedly be attributed entirely to Sir Percy Loraine's careful preparation of the ground. I found moreover that the Turkish authorities adhered scrupulously to the undertaking given to the Ambassador before our arrival and until the actual signature of the preliminary agreement. Krupp's directors in spite of daily representations from the German Embassy were kept at arm's length. It was significant that the first request of the Minister of National Economy on signature of the preliminary agreement was that Sir Percy Loraine should be immediately advised of the result.

19. The other members of the Embassy and particularly the commercial secretary whose specialised knowledge was particularly valuable put their services unreservedly at our disposal.

20. In conclusion I desire to place on record my personal thanks to the department and the Advisory Committee for the unfailing and sympathetic support I received during the more difficult moments of the negotiations.

H. SOMERVILLE SMITH.

August 8, 1936.

Turkish Finance.

It has seemed to me that the best way to approach this question is to try to answer the question "Can Turkey without in any way damnifying existing creditors transfer to the United Kingdom for, say, the next eight years a minimum annual amount of £600,000 over and above the amount required to cover short term trade obligations?" An affirmative answer presupposes—

(*a*) New sources of wealth which can be readily converted into free exchange and put at the disposal of the United Kingdom
(*b*) Continuous budgetary equilibrium in Turkey
(*c*) An even balance of payments

Section I *New Sources of Wealth*

1. When the Under Secretary of State of the Ministry of National Economy Faik Kurdoglou was in London, in April of the present year, he stated positively that his Government would be able to pay for the proposed steel plant and create a handsome reserve for other purposes from the proceeds of the sale of specific Turkish products in the United Kingdom and elsewhere. He mentioned, in particular, furs and certain hardwoods such as lace and boxwood. As no land specially appears to the importance of minerals Messrs H. A. Brassert and Co. decided to investigate in the first place the mineral position and to this end the mission was accompanied by Mr. W. W. Gore, M.I.Mest.M.M., who has previously had considerable experience in Turkey and Mr. A. Steedman, of Messrs Naylor Benzon and Co. (Limited) metal merchants, whose experience in connexion with the transport and marketing of minerals was likely to prove valuable.

Minerals

2. The writer of the mission was introduced on arrival to the directors of the Mining Technical and Research Institute and Messrs. Gore and Steedman were given an office in the institute with full liberty to call for any information which they required including mine plans, cross sections, and assay plans of the various properties.

3. On the 10th June, 1938, they visited the antimony mines at Keskin, and during a tour which lasted from the 15th to the 27th June, they inspected the following properties:—

Antimony mines at Turhal
Copper mine at Ergani Maden
Chrome deposit at Guleman
Lead zinc and silver mine at Keban
Lead zinc silver and gold mine at Bulgar Dag

4. Mr. Gore's final report to Messrs H. A. Brassert and Co. was handed to me on the 6th July.

5. His conclusions are as follows:—

(*a*) That the M.T.A. brought into being a year ago have every reason to be proud of the progress made both at headquarters and in the field. They are equipped with personnel and apparatus to undertake any research work likely to be called for while their work in the field, under great difficulties, has been undertaken in an energetic and well directed manner.

(*b*) That the Government should have no difficulty in fulfilling their obligations to the Comptoir Ore, the Sales Organisation.

(*c*) That the deposits particularly of copper and chrome are of such quality that much profit will accrue to the State in their exploitation provided the Government take full advantage of world experience in regard to mining practice.

(*d*) That a port on the Mediterranean equipped with modern appliances for the rapid loading and discharging of 7,000 to 8,000 ton steamers is essential. It will have been observed that with the exception of the copper at Kvartshana at Morgul and the antimony at Turhal all ores concentrates and metals gravitate to the open port of Mersin. This port is extremely dangerous during the spring storms and even in normal weather ocean going steamers are forced to lie some 2 kilom. from the shore where loading by barges is the only method available.

Under these conditions freight rates will be high and a difficulty in securing suitable tonnage will always exist.

To build a harbour there and equip it with modern appliances would take years and be a financial drain on the State.

We understand that the port of Payas in the Gulf of Alexandretta affords safe anchorage, and it only requires the installation of suitable bunkers and coal loading appliances to compete successfully with any other Mediterranean port.

Only those who have had experience in the management of a property with a reasonably large output can realise the importance of having ample stocking room at the shipping port, especially in a case such as this, where the necessity may arise to load 7,000 to 8,000 ton steamers. To ensure the full efficiency from the ropeway we would recommend an open stock pile or bunkers to accommodate a minimum of 20,000 tons.

(*e*) Production figures that can be expected in 1937 —

Chrome.—No difficulty should be found in mining and transporting 100,000 tons of chrome ore having a Cr_2O_3 content of 50 per cent.

Antimony.—The present production of ore and crude is equivalent to some 1,000 tons of metal per annum and we can see no reason why this figure should not be doubled.

Molybdenum.—The pilot plant is capable of handling about 7,500 tons per annum and, with a recovery of 2·25 per cent. Moss, a production of 168 tons of concentrates is possible say 150 tons.

Summarising the above we have:—

	£
Chrome 100,000 tons at £3 per ton	300,000
Antimony 2,000 tons at £30 per ton	60,000
Molybdenum 150 tons at £160 per ton	24,000
Total	384,000

Production figures for 1938.

Chrome.—For 1938 the tonnage may be taken as being the same as for 1937.

Antimony.—If the mines continue to open up satisfactorily, and the central smelter has been completed, there seems no reason why the Government's aim of 4,000 tons regulus should not be accomplished.

Molybdenum.—Until the result of further development is known we prefer to limit ourselves to 150 tons.

Copper.—If the Government plans are realised the smelter at Ergani should be in production during the latter part of 1938, and we may expect a production of 3,000 tons blister copper.

Lead and Zinc.—With any measure of success at either Keban or Bulgar Dag, we see no reason why a smelter or smelters should not be in operation during the latter part of 1938 with a production of some 2,500 tons of pig lead and zinc.

The above may be summarised as follows:—

	£
Chrome 100,000 tons at £3 per ton	300,000
Antimony 4,000 tons at £30 per ton	120,000
Molybdenum, 150 tons at £160 per ton	24,000
Copper, 3,000 tons at £30 per ton	90,000
Pig lead, 2,500 tons at £12 per ton	30,000
Zinc, 2,500 tons at £10 per ton	25,000
Total	589,000

For subsequent years with the copper lead and zinc industries and the chrome well established on the current also the promising outlook of the antimony, there can be no doubt of the required figure being maintained.

6. Mr. Gore has merited elsewhere in this report his satisfaction with the Mining Technical and Research Institute which is equipped with the most up to date instruments and plant and has a large staff of engineers in Angora and in the field including many foreign specialists the majority of whom are German.

The position therefore as regards minerals is as follows

(*a*) Great mineral wealth undoubtedly exists and, in the opinion of Mr. Gore, sufficient amounts can be produced in 1937 and subsequent years to satisfy our requirements.

(*b*) The properties mentioned either are or are on the point of becoming Government-owned, so that the Government can dispose of their production where they will

(*c*) Certain steps, particularly in connexion with the improvement of harbour facilities, must be taken before the properties can be exploited to their full value. Such improvements need not necessarily make any heavy demands on Turkey's foreign exchange resources

7 So much for the production side The measures to ensure that an adequate supply of Turkish minerals are sold for the benefit of the United Kingdom for a period of years have yet to be settled as part of the Comptoir Agreement to be negotiated in London in August or September At the moment we have simply received assurances that the minerals will be devoted in the first place to producing a revenue in sterling of more than £300,000 per annum in 1937 and 1938 and at least £600,000 thereafter and that the agreement giving effect to these assurances will be confirmed by legislature I have no reason to believe that these assurances are not serious and certain steps already taken by the Turkish Government (*e.g.* limiting of the minerals and metals to be consigned to the Franco-Turkish Comptoir to comparatively small amounts to be supplied from private mines, and the refusal to sell 100,000 tons of chrome to American interests forthwith) are encouraging

8 One difficulty should be noted here which at first seemed insoluble The Turkish Government is bound by trade and clearing agreements with many countries, and is unable to agree that the minerals and other special products should be sold directly in those countries for the account of the United Kingdom This would leave us not very much outside the British Empire and British mandated territories, and exclude, for example the United States where we should hope to sell 90 per cent of the chrome and perhaps other minerals The position taken by the Turkish authorities was disappointing because we had understood in London that it was intended that the Comptoir should sell direct to the United States It has been pointed out, however, that there is nothing to prevent the sales organisation in London selling to the London Metal Market or other British organisation for eventual resale anywhere in the world Mr Steedman regards such an operation as entirely practicable commercially It would however, be impracticable politically if the large trade balance in Turkey's favour in relation to the United States disappeared with the result that Turkey insisted on trading with the United States on a compensation basis which might in turn provoke a demand from the United States that all products of Turkish origin should be brought into the commercial accounts between the two countries This was mentioned to me as a probable contingency when I arrived but both the American commercial counsellor and the Turkish authorities state that it is a very remote one The American figure for the balance in favour of Turkey in 1935 is 2,600,000 dollars and the Turkish figure is 3,600,000 liras not a bad degree of concordance

Special Woods.

9 It is not easy at this stage to give any estimate of the sums available from the sale of special woods At present the forests (the greater part of which consists of softwoods which could hardly be exported to the United Kingdom) are only very partially exploited by a variety of concessionaires, of whom the Zingal Company who have a complete and costly equipment are outstanding Only about 10 per cent of the forest area is covered by these concessions though it is probable that a considerable proportion of the remaining 90 per cent is not commercially exploitable A law is now in preparation to enable the State to exploit its forests directly It was intended to sell the timber in its raw state to merchants owners of saw mills, &c But it would doubtless be possible to make all the necessary arrangements for supplying the Comptoir with sawn and treated timber

10 A fuller enquiry into the following woods might prove useful —

Boxwood —This is evidently fairly wide spread, but no information is available at the Department of Forests as to its amount Up to the present it has only been cut in a haphazard way by the peasants It grows as a bush principally *en masse*, there would thus be no difficulty in arranging for cutting by gangs of men, while camel, horse or donkey transport would be easy

Beech —Is already cut by the Zingal Company, who also possess the necessary drying ovens, &c Apparently the timber produced is of very high quality In 1934 as much as 80,000 cubic metres was cut in the whole country, this would weigh perhaps 60,000 tons, and must have been consumed principally at home There was in 1935 an export of 3,700 tons of timber valued at £T 142,000 to the United Kingdom, which probably consisted largely of beech sent by Zingal to Messrs. Bamberger and Sons of Finsbury Square The Government could probably influence the Zingal Company to send amounts of timber on Government account, while it would be possible in time, to export from their own forests It is probable that Turkey could supply as much of this wood as the United Kingdom market was prepared to absorb

Walnut Export has been forbidden by decree, as the wood is required for manufacture of rifle butts There are no forests of walnut the timber is only obtained by cutting individual trees in out of the way districts which are past their prime as nut bearers Any nationalised large-scale production would thus be impossible

Cedar There are said to be considerable quantities of Lebanon cedar available Over 20,000 cubic metres of resinous cedar are cut yearly Apparently a good deal is exported to Syria and Egypt in the form of railway sleepers It seems possible that transport difficulties might prevent shipment in larger pieces which could be used for furniture and other purposes but this is not clearly established and it may turn out that a Government organisation could build an adequate road or light railway track At present the trade is in the hands of private merchants and the sleepers are floated down small rivers to be exported from Mersina

Conclusion

11 It is clear that new sources of wealth exist of considerable value The Mining Technical and Research Institute, in spite of its energy, has not been in existence long enough to make anything approaching a full survey of the country It is not being unduly optimistic to suggest that new and striking finds are likely to be made It is only within the last few months, for example, that the Turkish Government appears to have become aware of the molybdenum at Keskin In his report Mr Gore described the chrome deposit at Guleman (hitherto untapped) as "undoubtedly remarkable both in quantity and quality" New railway construction is continually opening up large tracts of country hitherto inaccessible. The lack of modern transport (rapidly being developed) has been the chief obstacle to the successful exploitation of Turkey's resources.

Section II — *The Budget*

1 The following figures provide some justification for the confidence of the Turkish Government in their methods of preparation and control of the budget

Financial Years	Estimates of Budget		Actual		Surplus or Deficit
	Revenue	Expenditure	Revenue	Expenditure	
	£T	£T	£T	£T	£T
1932-33	160,351,800	160,140,417	186,810,081	174,048,353	+ 12,761,728
1933-34	170,474,000	170,474,154	171,240,033	170,608,827	+ 687,969
1934-35	184,081,000	184,075,631	207,277,574	202,069,919	+ 5,207,655
1935-36	195,013,000	194,011,658	204,153,845	Not yet published	
1936-37	212,764,000	212,755,580	Just beginning		

Preparation and Voting of Budget

2. The budget year commences on the 1st June. Ministers must submit their estimate of expenditure to the Ministry of Finance by the end of September of the previous year. The Ministry of Finance then prepares a general budget of expenditure and estimated revenues which it submits to the Cabinet. The Cabinet must send the budget to the Assembly by the 1st March. There it is transferred to the Budget Commission for examination, correction and adjustment. Separate sub-committees deal with the budgets of the different Ministries. The Budget Commission finally reports the budget to the Assembly which votes on the budget of each Ministry separately. It may accept it with or without modification, or return it to the commission for further examination and report.

Estimates of revenue are based on a comparison between the mean receipts for the previous three years from any particular source, and the actual receipts obtained from that source during the previous nine months—June to March—when the budget is submitted to the Budget Commission.

Control of Expenditure

3. (a) *By Ministry of Finance.* The Ministry of Finance controls the spending of the different Ministries through an Accountant General whom it appoints to each Ministry. Similarly it appoints accountants and bursars in the vilayets (departments) of which there are fifty-four) and kazars.

It is the duty of the Accountant General to:

(1) Examine all contracts to pay and advise the Minister of any proposed unauthorised or illegal payment.

(2) Inform the Minister of Finance within twenty-four hours if the Minister concerned fails to adopt his recommendations.

(3) Refuse to sign any bill of expenditure which is incomplete in form or is in respect of items not provided for in the budget.

A list of the monthly expenses of the vilayets is sent to the Ministry of Finance within thirty days for examination and approval, and Treasury inspectors are sent out at intervals to examine their books.

The Ministry of Finance must approve in advance payments or engagements assumed in excess of £T 50,000, even though the necessary provision has been made in the budget of the Ministry concerned.

All Bills prepared in any Ministry which may either decrease revenue or increase expenditure must be submitted to the Ministry of Finance.

4. (b) *Control by the Court of Accounts (Cour des Comptes).* The members of the Court of Accounts are appointed by the Assembly for life, with a view to ensuring their independence of Ministers.

The duties of the court are as follows:

(1) Approve all orders for payment by Government Departments before execution.

(2) Approve in advance all engagements for expenditure if no specific provision has been made in the budget or in any case if they exceed £T 10,000. Copies of all contracts engaging any department must be sent to the court within seven days of their preparation.

(3) Audit the books of the Ministries at the end of the year. If any illegal or unauthorised payment has been made, the Accountant General concerned is made liable for repayment.

The Turkish authorities are well satisfied with their system of control, and feel that it precludes all possibility of expenditure outrunning revenue. So far as the general budget is concerned, there seems a good deal of justification for their confidence.

Extraordinary Budget

5. We are on more difficult ground when we come to deal with extraordinary expenditure, including, as it does part of the expenditure on railway construction, new enterprises, armaments (about which impenetrable secrecy is maintained), irrigation, ports &c. The legal theory (translated up to the present into practice) is that such expenditure can only be authorised by the Assembly,

and that by existing laws, this authority cannot be given unless a corresponding revenue (which may take the form of a loan, levy, special tax or some entirely different form of revenue) is provided. It is, in any case, significant that in spite of large capital expenditure, the Treasury's cash position has become increasingly easy during the past few years. As has been pointed out by the Budget Commission, the Treasury's overdraft (excluding its credit with the Ottoman Bank, and short-term bonds issued to meet urgent payments) was as follows:

	£T
June 1, 1933	11,108,560
June 1, 1934	11,782,721
June 1, 1935	6,935,247
May 1, 1936	2,587,307

6. It may be useful at this point to describe how the Treasury finds temporary accommodation:—

(*a*) The Central Bank may discount Treasury notes of not more than ninety days' maturity up to a maximum amount equal to 40 per cent. of the bank's paid-up capital (£T 15 million, of which 70 per cent. has been paid up).

(*b*) The Central Bank may further discount up to an amount equal to 100 per cent. of its capital and reserves Treasury notes of not more than nine months' maturity bearing three signatures and presented by another bank whose signature is included among the three. Borrowings by this means average from £T 5 to 6 million. These notes are usually given by the Government in payment for supplies, they carry 2½ per cent. interest and can be discounted at their face value by the Agricultural Bank, the Isl Bank, the Banque Immobilière and the Orphans Bank. If the notes are rediscounted at the Central Bank, the intermediary bank takes a commission of ½ per cent.

(*c*) The Agricultural Bank can lend with treasury security to the Treasury up to a maximum of £T 5 million. This facility is not extensively used.

(*d*) Finally, the Ottoman Bank has given a perpetual loan of £1,200,000 sterling for the duration of its concession and a further credit of £1,250,000 against the deposit of the equivalent in Turkish lire in the Agricultural Bank. 7 per cent. is paid by the Treasury for any amounts utilised out of the credit, and 4½ per cent. by the Ottoman Bank for any amounts utilised by it out of the lire deposit.

7. In 1936 the extraordinary budget (not published with the general budget) amounts to £T 25,780,000. The extraordinary credits are distributed among the following departments:—

	£T
	100,000
Gendarmerie	4,150,000
Ministry of Health	817,000
Ministry of Education	4,918,000
Ministry of Public Works	7,595,000
Ministry of Economy	700,000
Ministry of Agriculture	7,500,000
Ministry of National Defence	
	25,780,000

They can be utilised only in so far as corresponding revenues exist, and I was at some pains to discover the source of the prospective revenues.

The explanation given was as follows:—

(*a*) In 1934 authority was given to the Treasury to mint coins up to a value of £T 16 million. Of this amount £T 12 million has been minted, of which £T 6 million has been kept in reserve. If the balance of 4 million is minted the Treasury will have at its disposal (allowing for expenses) something like £T 9 million.

(*b*) A recent law provides that all deposits in banks must be covered up to 15 per cent. by a reserve in the form of Treasury bills. Deposits at present amount to about £T 190 million. It was explained to me that this legislation was not passed in the interests of the extraordinary budget, but at the request of the banks themselves. In the crisis of 1929 some of the foreign banks went into liquidation in the absence of reserves. Since then most of the banks have held a fairly substantial reserve in bank notes which bear no interest and are glad to hold interest-bearing securities.

The Treasury, for its part, guarantees to repurchase these notes on demand. Some £T 18 million could be made available by this means.

Supplementary Budgets

8. Annexed to the general budget are some ten supplementary budgets covering such services as P.T.T., administrative expenses of railways and ports, sanitary services at frontier, salvage, public trustee, improvement of Angora, Inkyards, airways, ferries of Istanbul. They are mainly self-supporting and are comparatively small in amount. Some of them are expected to pay their net revenues to the general budget and, on the other hand, any deficit would be charged to the general budget. The monopolies are expected to pay the following amounts into the 1936 budget:

	£T
Tobacco, salt, spirits, powders	32 100,000
National defence stamps on tobacco and spirits	3,350,000
Matches	1,410,000
Playing cards	50,000
	36,910,000

Budgets of Vilayets

9. The administrative divisions of Turkey are the vilayets, kazas and nahiye.

The budgets of the vilayets must be approved by the Assembly. In the past there was allocated to the vilayets, a sum equal to 2 per cent. of the revenue of the general budget. Now, experimentally, the vilayets are being allowed to collect their own rates and taxes represented by:

	£T
Tax on real estate	5,100,000
Tax on built-on property	4,619,000
Crisis tax on built-on property	1,500,000
	11,219,000

The Treasury believe that this amount should be sufficient for their needs.

Future Stability of Budget

10. This is the point of chief interest.

On the revenue side (which represents about 23 per cent. of the national income) I was very anxious to discover whether, in the opinion of the authorities, saturation point had been reached. As the Industrial Plan proceeds, some drop in customs receipts might be expected but the 1936 budget provides for an increase of £T 3,250,000 from customs. This is partly due to the fact that for revenue purposes in 1936 the Government intends to allow the importation of a certain amount of sugar. A considerable drop in the returns from the sugar tax (£T 5 million) is estimated, but this is due to a decrease of 70 per cent. in the rate for native sugar. Other taxes on consumption and revenues from the monopolies (in spite of a drop of 50 per cent. in the official price of salt) as well as the tax on transactions, show an increase which is certainly due to a general improvement in the economic situation of the taxpayer.

As Turkey increased her agricultural output (only a small portion of her cultivable area is now cultivated) and as the position of certain areas (distressed) is improved by the operation of the Railway and Industrial Plans, there is no reason why the taxable capacity of her people should not increase.

On the expenditure side I have already indicated the methods adopted to keep spending within revenue. I was particularly anxious to discover what would happen if, say, the Ministry of National Defence required a supplementary credit of £T 5 million in the middle of a budgetary year. It might obtain the credit, but by law it is bound to show either that this represents a transfer of other unused credits or that new revenues can be raised to cover it. In any event, the credit would have to be approved by the Assembly.

Whether the Ministry could obtain the credit on the plea of national necessity without showing that new revenues existed or that it was able to use another existing credit I do not know. I am told that the case has never occurred.

In any event there can be no doubt that both the Cabinet and the Assembly are alive to the necessity of a rigorous control over the relationship between revenue and expenditure. Unofficial and very lively complaints have been expressed to me by officials of Ministries whose parliamentary chiefs have tried in vain to obtain credits for purposes which seem to them pre-eminently worthy. In the absence of a major political crisis in foreign affairs I should expect to see expenditure kept within the bounds of an increasing income.

Section III. *Balance of Payments*

1. While it is convenient to give this section the general title "Balance of Payments" my chief concern was that particular part of the balance which represents transactions in foreign exchange. When a country adopts the principle of buying from any other country to move goods than that country will buy from her, and as time goes on extends the principle to cover many services normally payable in foreign exchange, so that by agreement with other countries she pays for goods and in some cases services with goods alone, the amount of free foreign exchange which she requires to buy wool is surprisingly small. Turkey has carried this principle a long way. The Ministry of Finance estimates her requirements in foreign exchange in 1936 at less than £3 million.

The principle of goods for goods, if rigorously applied as it is in Turkey, should automatically secure equilibrium so far as the trade balance is concerned, although at times it causes great inconvenience to the foreign supplier. It is therefore to the adjusting items in the balance of payments, to the resources and requirements in foreign exchange, that we must look in order to decide whether Turkey has and is likely to continue to have, an even balance of payments.

2. As had been anticipated when I left London this proved to be by far the most difficult of my enquiries. Even after the Steel Works Protocol had been signed, and the Ministry of National Economy had assured me that nothing would be kept secret from me, the Minister of Finance was at first obstructive. The argument which finally proved effective was that we had figures in London, that these figures hardly suggested that Turkey was creditworthy, and that until we had fresh figures we were bound to accept those which we had. I gave him as an example the figures which I had extracted from Mr. Wyatt's memorandum of December last, namely:

	Equivalent in French francs
(A) Engagements—	
To May 31	
1935	188,134,000
1936	168,745,000
1937	157,816,000
1938	173,430,000
1939	150,341,000
(B) Engagements in 1936	
Due under contract	183,000,000
Various expenses abroad	195,000,000
Deficit from 1934	70,000,000
	448,000,000

	Equivalent in French francs.
(C) Resources in 1936—	
Free exchange from clearings	50,000,000
Favourable trade balances	150,000,000
Iraq Government —participations	6,000,000
Ottoman Bank —unused credit	13,000,000
Tourists and other items	20,000,000
	239,000,000

i.e., a percentage of resources to engagements of 53 only

3. The Finance Minister in due course handed me a declaration, a translation of which is attached

He denies the figures under (A), (B) and (C) above, and gives the following figures of engagements in free exchange —

	Equivalent in French francs
1936	156,000,000
1937	102,200,000
1938	120,540,000
1939	106,854,000

As regards 1936 he says that the total engagements and payments in the present year in foreign exchange will be at the very outside £T 17,260,000 (say 215,750,000 French francs, for which cover (estimated with the utmost conservatism) exists to an amount of £T 18,040,000 (225,500,000 French francs)

4. He is not prepared to make an estimate of resources for the following year, on the general principle accepted as well for the budget) that estimates of revenues must be based on the known revenues of the present. What in effect happens is that a mean is taken of the revenues of the past three years this is compared with the receipts of the last nine months. Tendencies towards increase or decrease in any particular revenue are analysed and estimates are then prepared for the following year

5. He furthermore explains at some length the system of control of engagements and payments to which the Turkish Government attaches so much importance. This is dealt with later.

6. Interesting as this declaration was I felt bound to state that more detailed information was desirable, and after further consideration he instructed the Acting Directeur général des Mouvements des Fonds to show me the foreign exchange budget for 1936. I was not able to examine this document which bore the signature of the President and of each Minister, as carefully as I should have desired, because there are certain items, chiefly in connexion with the purchase of armaments, which the Turkish Government is unprepared to reveal in any circumstances. At the same time I was able to copy the totals in the various sections of the budget, and found that they gave the general total already communicated to me by the Finance Minister

7. The general headings, which I checked, are as follows :—

1936

	£T.
Resources:	
(*a*) Free balance from clearings (excluding Germany)	4,600,000
(*b*) From countries with which Turkey has a favourable balance	5,300,000
(*c*) Other sources	8,140,000
	18,040,000
Engagements and Payments	
(*a*) Bonds and public works (8,800,000 less saving by Paris Agreement 3,500,000)	5,300,000
(*b*) Other Government engagements	3,835,000
(*c*) Current expenditure	3,841,000
(*d*) Commercial services	4,284,000
	17,260,000

As a cross check it may be of interest to note that according to the Ottoman Bank the net exchange furnished to the Central Bank by the market in 1935 was £T 7,500,000

This should correspond to (in the 1936 figures)—

	£T	£T
Resources—		
(*b*) From countries with which Turkey has a favourable balance	5,300,000	
(*c*) Other sources	8,140,000	
		13,440,000
Less—		
Government receipts—Iraq	800,000	
Commercial services	4,284,000	
		5,084,000
		8,356,000

Up to the end of April 1936 nearly £T 3 million has been furnished by the market against 4½ million for the same period of 1935

8. I have the following comments to make on the above items

Resources:

Items (*a*) and (*b*). The figure of £T 9,900,000 from free and favourable balances seems (as the Ministry of National Economy claims it is) very conservative

A calculation of the exchange available from trade in 1935 gives the following result

Turkish Statistics

(figures in £T million)

Country	*Imports*	*Exports*	*Percentage Free*	*Amount*
Germany	35·5	39·2	30	11·76 (for use in Germany)
Austria	2·0	1·8		
Belgium	0·0	3·1	30	·93
Czechoslovakia	3·9	3·0		
France	4·2	3·0	35	1·05
Holland	1·5	2·0	30	·60
United Kingdom	8·7	5·2	30	1·56
Sweden	1·5	1·6	40	·64
Switzerland	1·5	0·8	30	·24
Italy	5·7	9·5		..
U.S.S.R.	4·3	4·1		
Spain	0·7	0·6	20	·12
Greece	0·6	2·2	50	1·10
Egypt	0·7	2·0	free	1·30
Japan	1·7	·0		
United States	6·1	9·7	free	3·60
Palestine		1·8	free	1·80
Syria		1·6	free	1·60
Others	8·4	4·1		
Total	88·8	95·9		26·30
	Less German percentage			11·76
	Free exchange			14·54

General trade promises to be equally good if not better in 1936 than in 1935, that there is probably a safety margin of £T 3,400,000 in this estimate.

9. As regards (*c*) other sources—the following are the most important items –

	£T
Tourists	1 000 000
Expenditure of foreign Embassies	1 200 000
Shipping and port dues	1,500,000
Foreign residents in Turkey	500,000
Transit charges	1 200 000
Commissions	300,000
Iraq participations	800 000
Victualling of ships	1 000,000
	7 500 000

Sometimes the salvage company brings in as much as £T 2 million and there is always a certain volume of exchange from *emigrés* from the lighthouses and from countries other than those with which Turkey has clearing agreements or those listed in paragraph 8 from which she draws free exchange. Such countries are Australia, New Zealand, Canada, Malta, Cyprus, French colonies &c.

Expenditure (*Engagements and Payments*)

10. German mark requirements are covered by the Germano-Turkish Clearing Agreement and are excluded from this budget.

Item (*a*) seems reasonable. Item (*b*) probably includes expenditure for armaments. Item (*c*) includes such items as cost of Embassies abroad, expenditure on missions, students &c. It is interesting to note as an example of the exaggerated figures with which we have had to deal in the past that an estimate of "dépenses courantes extérieures" handed to Mr. Nixon in London contained an allowance of 35 million French francs for Turkish students abroad, say £T 2 800 000. The actual figures for all Turkish students abroad, plus inspectors, in 1936 are

	£T	
Free exchange	474 000	free exchange
	300,000	by clearings
Total	774 000	

11. The estimate in question incidentally shows total current foreign expenditure as 191 million which corresponds closely to Mr. Wyatt's figure of 195 million for "various expenses abroad". It has been suggested to me that some of the other items may be as heavily overestimated as the cost of students abroad.

12. Item (*d*) covers commercial services, such as freight and insurance, agios, cost of commercial travellers, &c. Faik Kurdoglu told me that it includes an item of £T 1 600 000 for freights, whereas the expected expenditure in foreign exchange under this head is £T 432 000 the balance being paid in goods, principally coal, to the shipping companies. I have asked members of the British Chamber of Commerce in Istanbul to check this statement.

13. So much for the figures. While I should have been much better satisfied if I had been able to obtain information in greater detail, I have no reason to believe that the sub-totals and totals are inexact and my general feeling is that revenues have been calculated on a cautious basis.

14. As regards the expenditure side the sincerity and adequacy of the control system are even more important than in the case of the general budget. That control of extra-budgetary expenditure is most rigorous there can be no question. An unforeseen payment of as little as £T 1 000 must be approved by the Cabinet and approval is not lightly given. Any transfer of credit within the budget or any demand for exchange which is not covered by the budget must be reported to the Cabinet by the Ministry of Finance with full documentation including a statement of the particular asset which it is proposed to utilise. The assent of the Assembly would have to be given if, say, the Minister of Defence made an unexpected request for exchange on the ground of national necessity. Even then, by law, the request could not be granted if cover were not available. I suggested

that in such a case the reserve of the Central Bank might be raided, and was told that legally this was an impossibility. Authority to enter into engagements requiring payment in foreign exchange must be given by the Assembly.

15. As regards the collection into the Central Bank of any exchange which comes into the country, I found that the authorities were fairly well satisfied with their system.

The office of the General Direction of Foreign Exchange is under the general control of the Minister of Finance, but is at the same time under the special supervision of the Prime Minister. There are commissioners throughout the country whose duty it is to see that there is no evasion. The accounting operations in connexion with commercial transactions under clearing agreements are performed by the Central Bank. I gathered from members of the British Chamber of Commerce in Istanbul, some of whom, in their private capacity, would regard possibilities of evasion with equanimity, that the control is very effective. The Commissioners of the General Direction are responsible for checking transactions with countries with which Turkey has a favourable balance. In the case of countries with which there is an unfavourable balance, the Central Bank blocks the lira equivalent of the amount due to the foreign exporter until a compensating export from Turkey can be made.

16. As regards estimates for the future one must rely on tendencies. The Director-general of the Central Bank, a deflationist and self-confessed pessimist, believes that Turkey will be out of her exchange difficulties in three or four years, not so much as a result of diminution of expenses as of increase in revenues. He is one of those who believe that large new revenues will come from the exploitation of Turkey's mineral wealth, and attaches more importance to minerals than to agricultural production. Mr. Kuhn, who made a special study of the agricultural question, foresees large expansion in this field also because (1) fertile areas are being regularly opened up by railway development, (2) efficiency (and there is immense scope for improvement) is being promoted by agricultural colleges and institutes with staffs of foreign specialists, (3) there is a steady influx of Turks from other countries where agricultural methods are more advanced than in Turkey. (A copy of his report is annexed.) The Ministry of National Economy, whose function it probably is to be optimistic, looks forward to a startling increase in income from minerals, timber and agriculture.

17. On the expenditure side the major part of the engagements for the completion of the Industrial Plan (excluding the steel plant) is already included in the estimates furnished by the Finance Minister. The second Industrial Plan, a large part of which is concerned with the development of mineral wealth, is likely to make smaller demands on the foreign exchange budget. At the same time, there are bound to be replacements and alterations of existing plant or plant now under construction so that, so far as industrial orders go, there is likely to be little reduction in the demand for exchange. Equally savings in respect of the goods to be manufactured by new factories may well be required to pay for goods which the Turks still regard as luxury goods.

18. The largest unknown factor is armaments. Turkey will have to pay in some years' time for the 125 million francs' worth of munitions which she is obtaining from France. I am told by the Ministry of National Economy that payment will be made in goods. That will be in accordance with existing legislation which has provided (since 1934) that all new purchases of arms must be settled through clearing agreements. But arms have a habit of being urgently required, and if Turkey were faced with a political crisis she, like most other countries, would be forced to forget her self-imposed rules of financial prudence. It is a great deal, however, that these rules exist, and that their constant repetition makes their application more and more automatic.

19. To sum up: the Turks have great natural resources. They are tackling the question of the exploitation of their resources in a businesslike way. Each year some hundreds of students trained in the best technical schools abroad return to Turkey to place their skill at the service of the State. Much has still to be done. The standard of living of the peasant is in Western eyes painfully low, but education is becoming universal and with education is a new ambition to do something more than cultivate an acre or so of land in a primitive way. Of almost equal importance is the vast extension of transportation facilities which is opening up rich areas hitherto almost unexploited.

20 On the expenditure side, discipline has gained much ground, and is likely to gain more The Turks had a bad fright in 1920. They are unwilling to repeat that experience. If they can avoid becoming embroiled in external political difficulties ,they are at present a peace loving people after so many years of war), it seems a reasonable assumption that their foreign exchange position should become increasingly comfortable

Section IV *Conclusions.*

My conclusions are briefly as follows —

New Sources of Wealth

1 The Turkish Government has already in its own possession sufficient mineral wealth to produce and export a minimum of £600 000 per annum from the middle of 1938, and as the Mining Technical and Research Institute proves new properties they are handed over to the Eti Bank for exploitation It could export in 1937 chrome molybdenum and antimony to a value of more than £350,000. Furthermore, if the need arose, the Government could purchase from existing mines under private ownership for sale abroad Little account has been taken in this report of special hard woods, but within the next few years it is not improbable that fair sums could be derived from this source

The Compton agreement will have to provide the means by which these special products can be most efficiently converted into sterling or other free exchange as well as the assurance that their sale proceeds would be used for payment for the steel plant and for other agreed purposes in the United Kingdom to a minimum amount of say £300 000 per year for the first two years and £600 000 thereafter

Budget

2 The budget has been comfortably balanced for some years now and, short of some international crisis which might involve Turkey in extravagant expenditure on armaments that equilibrium should be maintained

The system of control of engagements and expenditure has been carefully organised, and the Government appears to be taking all possible steps to impress on spending Departments and the National Assembly the necessity of keeping expenditure within revenue.

Revenue is conservatively estimated Possible expansion is perhaps discounted by the extraordinary credits agreed from time to time by the Assembly but until the expansion takes place or until other revenues are found, the credits cannot be used

Revenue should increase The Industrial Plan is creating activity within the country and agriculture with the help of new means of communication improved methods and the addition of new rich areas, is capable of great development Mines and forests are on the point of being exploited scientifically It is true that Turkish trade policy is at present designed to help the producer at the expense of the consumer, and how far this movement can progress without lifting the cost of living to impossible heights it is difficult to say, but in a State where economy is planned to the extent now reached in Turkey, any movement with dangerous tendencies can be checked in time

[NOTE -It is interesting to note in this connexion that the Kayseri textile mill has to pay more than world price for its raw cotton to meet German competition for the same cotton]

Balance of Payments

3 As regards the balance of payments properly so called, there is no reason why Turkey's exportable capacity should not increase to a marked extent and if payment of goods by goods persists. Turkey should be able to export more than she is at present doing and still preserve an even, or favourable balance of trade It is clear that the effect of the Industrial Plan will be to reduce the demand for certain foreign goods (cotton piece goods of the coarser qualities, woollens, &c) but it is anticipated that this demand will be replaced by a demand for goods of finer quality and particularly for machinery It is true that Turkish exports are now artificially stimulated through the operation of clearing agreements, but even when this stimulus disappears, she is in a favourable position to sell her

normal products. The future of special products such as chrome, copper, silver, lead, antimony and so forth is very promising As regards the movement of foreign exchange, Turkey can reasonably look forward to an increase in her revenues Expenditure, on the other hand, is carefully controlled National necessity might lead to overspending, but this danger is not peculiar to Turkey, and, given comparative peace, Turkey should be in a much stronger position in two years' time than she is now

4 I feel, therefore, reasonably confident that the three conditions which I laid down at the beginning of the report can be fulfilled in normal circumstances, and, if she so desires. Turkey can, without damnifying existing creditors, transfer to the United Kingdom during a period of years a minimum annual amount of £600 000 (£300 000 minimum for 1937 and 1938) over and above the amount required to cover short-term trade obligations.

5 I attach the following annexes —

(1) Turkish Finance Minister's declaration of the 17th July, 1936.
(2) Note by Mr Kahn on anticipated income from exports (excluding minerals)
(3) Note by Mr Kahn on the Industrial Plan
(4) Notes on certain Turkish banks
(5) Railway Plan ( )

ANNEX 1

Turkish Finance Minister's Declaration of July 17 1936.

1 The rumours you mention are completely without foundation and can only have been the result of a misunderstanding arising from lack of knowledge of the real situation of the country Turkey's financial situation is perfectly healthy and exposed to no danger The financial system of the Turkish Republic is based on a plan which was the subject of long deliberation and which has been drawn up with all possible regard for the necessity of prudence in making estimates This system is the best guarantee one can have against suppositions of this kind

2 Article 26 of the Budget Law contains the following stipulations

"The lists of requirements in free exchange to be drawn up each civil year to meet both the needs of Government Departments and those arising out of the application of the laws on exchange shall be submitted to the Cabinet for approval

"The lists relating to the financial year 1936 must be ready at the latest by the end of June

"No modification or transfer of credit from one heading to another can be made without a decision of the Cabinet. Both the administration of the organisation concerned with exchange operations and all relative operations are placed under the supervision of the Prime Minister

Furthermore article 33 of the decree on quotas provides —

'Government Departments, municipalities establishments and companies with concessionary or monopolistic rights or those, more than half of whose capital is provided by the State, requiring to import foreign goods or enter into contracts in connexion with such goods or different installations. or in connexion with the purchase of materials or machinery, are bound by the following stipulations -

"(*a*) Goods imported from countries enjoying the privileges accorded by article 3 of the present decree as well as contracts entered into with these countries must conform with the stipulations of the agreements in force with the countries concerned

"(*b*) If it is necessary to import such goods from a country which does not enjoy the privileges laid down in article 3 or to enter into a contract with such a country, or if the goods to be imported are prohibited by the present

(1) Not printed

decree, the authorisation of the Cabinet must be obtained before the order is given or contract signed, and information must be furnished both as to the methods of payment contemplated and the price."

The above legal disposition will give you a more accurate idea of the care exercised by the Government in dealing with these questions.

In my capacity of Minister of Finance, I can assure you that no engagement of any nature can be undertaken in Turkey in this field by an official department by a municipal department or by any private establishment without the prior authorisation of my Ministry which studies these questions with meticulous care and which has continually before it accounting statements of the relation between requirements and the country's capacity of payment.

3. France, which is by far the largest creditor in connexion with the former debts, was unable to take even a secondary place among the countries which purchase Turkish goods. The Paris Agreement has allowed us to increase the basis of our dealings with this country to an extent which gives us full satisfaction.

4. The figures cited by you are incorrect. Moreover, it is impossible to give you a list of all our engagements payable in kind.

The following are our engagements in free exchange in the years mentioned by you:

	French francs
1936	156 091 000
1937	102 200 000
1938	120 340 000
1939	106 834 000

The figures given by you under (*b*) and (*c*) are equally incorrect.

5. The estimate of total resources in foreign exchange for the financial year 1936 in conformity with the requirements of the budget which has been made with extreme care and can be considered strictly a minimum figure is £T 18 040 000. The general total of engagements and payments in foreign currency does not exceed the sum of £T 17 260 000 which represents an absolutely maximum estimate.

Every factor both economic and budgetary combines to assure for the Turkish pound that has for a long time enjoyed *de facto* stabilisation, the maintenance of its value.

The future of the Turkish pound is no way bound to that of the French franc. The apparent relation between the two currencies is the result of the following situation:

Until the legal stabilisation of the Turkish currency the pound sterling had been taken as the unit for fixing the value of the Turkish pound.

After the abandonment by sterling of its gold parity, it was necessary to choose another gold currency with a universal exchange rate and the French franc as it is defined to-day, was chosen.

6. For all our engagements present or future we base ourselves solely on the stable revenues of the moment without counting in any way on the future.

The increasing development in the exploitation of our mines and agriculture as well as the progressive increase of national activity in the other fields of economy, assure us of a continual volume of supplementary credits to be utilised on the one hand for the constitution of reserve funds, and on the other to meet engagements which may be assumed subsequently. We do not assume, nor shall we ever assume engagements without having in advance assured their cover.

7. The foreign exchange engagements of every Department of State are submitted for the prior approval of the Ministry of Finance.

I am happy to be in a position to give you an assurance in one word that Turkey's financial position at the present moment is perfectly sound. She has formally decided to persevere in the same path and every measure she takes as well as her whole policy is directed towards this end.

Annex II

Development of Exports

The only large asset in the balance of payments is the income from exports. Apart from all questions of clearing, blocked and free exchange, it is important to form some idea of the prospects of the export figures in the next few years. For the last seven years they have been —

	£T million	*Thousand tons*
1929	155	670
1930	151	777
1931	127	883
1932	101	1 078
1933	96	1 251
1934	92	1,638
1935	95	

The increase in weight is accounted for almost entirely by new products (coal, cereals, ores) of low value per ton. Apart from coal and ores practically all Turkish exports are agricultural. It is proposed to examine, item by item, the prospects for the next ten years. This is obviously a most risky procedure: it can only be done at all on the supposition that world conditions remain approximately as they are but that supposition really underlies any economic calculation. While there will be gross errors in the calculation item by item, one may hope that the sum may not be to far from the truth.

At this point, however, some idea of the factors influencing the general agricultural position may be presented. Turkey is very sparsely populated (21 square kilometres, and the cultivated area about 5 per cent of the whole) only a small proportion of that cultivated. Apart from certain well watered valleys and coastal areas, agriculture is on an extensive basis and adjusted to the conditions of an excessively dry climate. The population is increasing rapidly, both naturally and by immigration, from Balkan countries (the immigrants themselves Turks) tend to have more advanced ideas on agricultural methods than the natives, and so form a most valuable element in the population. Turkish methods are extremely primitive, partly owing to ignorance and improvidence, partly to intense poverty and lack of capital. Agriculture is still recovering from the effects of some ten years' war (1912-23); every addition to the peasant's capital brings with it an improvement in the methods of cultivation. At the same time the younger generation is receiving some sort of education while experimental farms and research stations are evolving improved methods suited to the actual situation of the Anatolian farmer, distributing improved seed and providing better breeding stock. On the whole, I was most favourably impressed by the sense of realities of the agricultural experts, and there seems little doubt that their work will gradually make itself felt. My estimates are based not on the expectation of any startling changes in the agricultural situation, but rather on that of a qualified continuance of present trends.

Difficulties of transport have been an enormous hindrance to the development of agricultural production for the market, and each new railway line opens up great new areas of profitable production. An improvement in the local road system would undoubtedly be of great value as an adjunct to the network of trunk railway lines now well advanced.

There is to-day a pronounced trend towards the setting up of privileged companies to maintain equilibrium in a market and develop exportation. These companies, having greater resources than private merchants who are in Turkey often very short of capital, will probably be quite effective and they do not damage the existing exporters except by their commercial competition. Parallel to this, a network of codes is growing up for the standardisation and grading of export produce which should be of material value in improving Turkish reputation and competitive ability on world markets.

Foreign Trade in 1935.

	£T million.
Principal exports—	
Tobacco	18·9
Dried raisins	10·5
Hazel nuts	10·2
Cotton	6·8
Dried figs	4·5
Live animals	4·3
Chromite	2·9
Wheat	2·8
Barley	2·7
Coal	2·7
Chick peas &c	2·4
Mohair	2·1
Wool	1·9
Eggs	1·4
Other	22·0
Total	93·9
Imports	88·8

Tobacco

Tobacco is an annual crop. Apart from climatic variations the production rises and falls from year to year according to the prices received in the previous season, and given the demand it is capable of a very large increase. Over the last five years exports have averaged about 22 million kilog. per annum. But the crop was restricted by Government and has this year been allowed to increase from about 35 to 55 million kilog. (plus a certain "bumper"). Germany is a regular buyer of an important percentage though this market is fully competitive with Greece and Bulgaria and is subject to the vagaries of "Planwirtschaft." The United States is of equal importance. American firms with complete organisations in Turkey buy up the choicest leaves and are particularly unlikely to change their source of supply. Oriental tobaccos which slumped heavily in 1933-34, recovered in 1935 and are now selling at very good prices. An export value of £T 22 million seems a fair estimate for the future, though if Turkish tobacco should be successfully reintroduced into England the value of that trade might safely be added to the above figure.

Raisins

It takes about five years for a vine to reach fruit-bearing age, their productive capacity is in some degree fixed apart from the danger that vines may be neglected or uprooted. A crop varying round 70,000 tons, perhaps becoming less may be expected compared with a "bumper" figure of 80,000 tons for 1935. This would mean exports about 55,000 tons. At present the predominance of Germany as a buyer is a real danger, but on the other hand grading and marketing in Smyrna are being improved. It seems reasonable to value exports at £T 10 million only £T 0·5 million below the 1935 figure. It is sometimes said that the quality of the fruit is on the down grade since the Greek peasants left the district. If this trend should continue, the value of exports may fall off, with the years, by £T 2·3 million.

Hazel Nuts

Hazel nut bushes, like vines, take about five years from planting to bear fruit but they require little attention and the crop can safely be estimated to maintain its level. An average of perhaps 45,000 tons crop would mean an export slightly less than that of 1934, since prices seem to have remained fairly stable; this would give a value of £T 10 million. Germany is overwhelmingly important as a market and in view of this and the rather pessimistic views expressed by some exporters we might estimate future exports at £T 9 million.

Cotton.

It is hoped, in five years' time, to increase production to 100,000 tons against 44,000 tons in 1935. This appears quite practicable. The quality will be considerably improved, a good proportion being American types. Internal consumption, now estimated at 14,200 tons might perhaps increase to as much as 30,000 tons, thus leaving 70,000 tons free for export, which may be conservatively valued at £T 20 million.

Figs

Many new trees will soon come to maturity, and crops of 40,000 tons are expected. Though the importance of Germany as a market has increased the situation appears fairly sound. Exports might be put at 35,000 tons. 1935 was exceptional, £T 4 million.

Minerals

Little change in the export of privately produced minerals need be looked for. That of the products of the Eti Bank is dealt with elsewhere in this report.

Live Animals

This trade is mainly with Greece, Malta, Egypt, Syria and U.S.S.R. The price has been steadily falling, and it would be unsafe to budget for more than £T 3 million.

Wheat

With improving conditions of transport, storage and the distribution of selected seeds the crop may increase to an average of about 3·5 million tons. Allowing for the increase in consumption now about 2·6 million tons, with a population increasing about 2 per cent per annum, about 500,000 tons may be exported, say about £T 20 million. The question of marketing crises is gone into, it must be remarked that as exporters of hard wheat, having its own ports in the Mediterranean, it is a relatively favourable position.

Barley

The crop should increase, but so also may consumption for feeding animals. A figure of at least £T 3·5 million, the last five years' average, may be set out. Actually, if there should be difficulty in marketing the quantity of wheat afore mentioned, it would probably partly replace barley in home consumption. £T 23 million would therefore be fairly safe for both cereals.

Coal

Under the second Five-Year Plan it is hoped to increase the exportable surplus from about 750,000 tons now to about 3 million tons. We may assume for a period an average of about £T 5 million (rather less than double present figure).

Chick Peas

The increase has been steady, say £T 2·5 million.

Mohair

The clip (and exports) may average 5,000 tons and about £T 4 million. Apparently Russia is a safe market if the price falls low.

Wool

Production may increase a little from 15,000 to say 17,000 tons, of which part would be of improved quality. Consumption, now about 10,000 tons, might increase even to 15,000 tons with the new worsted yarn factory. This wool exports may well fall off to about half their present figure, say £T 1 million.

Egg

Especially in view of the quota agreement with Spain, exports are likely to recover at least to their 1934 value, £T 2·5 million.

Various Products

Considerable increases seem probable in exports of oil-seeds and of timber Some recovery in the export of products not specially mentioned in this report may be allowed, say from £T 21 million to £T 25 million

We thus conclude that exports might reach a figure round £T 130 million (not including shipments by the Comptoir) This may serve to indicate the figure which could be attained, if the present pressure to export in order to cover the various imports and other liabilities abroad is maintained Just at present there is difficulty in finding further products to export, this state of affairs, we may safely prophesy, will be greatly eased in the next ten years, unless the liabilities increase correspondingly

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Annex III

Industry

General

Even before the Five Year Plan there was a fairly considerable amount of industry in Turkey Since the establishment of the republic it has been favoured both by the strongly protective regime and by tax exemptions and similar favours under the law for the promotion of industry In 1932 industrial production in 1933 was valued at about £T 150 million Of this as would be expected in a country at Turkey's primitive stage of development, about 60 per cent was concerned with the working up of agricultural and pastoral produce and 13 5 per cent with textiles over 70 per cent by weight of the supply of woollen goods and 30 per cent of cotton goods were obtained from home sources which included in the former case at least a great number of peasant hand looms Footwear and hollow ware are largely produced by individual artisans

Some of the factories belonged to the Ish and Agricultural Banks many were and are in purely private ownership

The Five Year Plan

The Five Year Plan represents the next stage in the progress of this industrial structure Apart from the large scale textile industry and the metallurgical it includes works for the exploitation of the Keciburlu sulphur deposits, the conversion of local coal into semi coke, the production of paper and artificial silk from the ample softwood available in the country the production of glassware and heavy chemicals Many of these developments can be characterised as perfectly natural, it is equally natural that they should be fathered by the Government Private initiative is rare in Turkey and private capital extremely scarce and difficult to mobilise in a business venture

It is safe to say that the creation of new industries represents almost pure gain to the Turkish national income since the labour used is withdrawn from no very productive occupation Thus even if the revenue does lose a certain amount in customs duties &c , it can recover it by some other tax, and yet leave the rest of the community with a larger net income

Production and Imports

The most important elements of this plan are the textile and metallurgical industries. The new cotton industry should, in three years' time at most, be producing some 8,000 tons of cotton cloth and 800 tons of cotton yarn This represents well over half present importation, allowing for a 25 per cent. increase in consumption and some increase in private output in the next few years. imports of piece-goods would still be reduced by about 5,000 tons and at least £T 4 million yarn imports would quite probably not change

Cotton Industry.

	Tons.
Piece-goods	
Production, 1935 (in 1933 3,505 tons)	5,825
Imports, 1935	12,042
Consumption 1935	17,667
Add 25 per cent	22,000

Cotton Industry (continued).

	Tons.
Production of—	
Kayseri	5,000
Eregli	800
Nazilli	1,800
Malatya	800
Production of new factories	8,000
Probable production of private and old factories	7,000
	15,000
Estimated imports	7,000
Estimated consumption	22,000

Yarn

Production 1935	6,638
Imports 1935	2,891
Consumption, 1935	7,529
Production of new factories	606

We can reckon on the almost complete cessation of imports of woollen yarns and, probably, of merino and cheviot wools This should save £T 2 5 million Import of piece goods may also fall off

Wool Industry

	Tons
Yarn	
Import, 1935	1 070
Output, Bursa factory	1,100
Cloth import, 1935	401

The operation of other industries may save at least £T 1 million per annum as against the imports of 1935

Probably at least half the output of the iron and steel works can be considered as a saving on the 1935 import figures.

Annex IV

The attached short notes on Turkish banks may be of some interest. We are clearly interested in the Central Bank It is with the Sumer Bank that Brassert's will have to negotiate their final contract for the steel plant

The Eti Bank is charged with the exploitation and sale of the minerals under Government control The Agricultural Bank at one time held a more predominating position than it does now, and, in fact, issued the notes in connexion with the large Julius Berger Railway Contract in 1928.

Central Bank of Turkey

The Central Bank of Turkey was charged by a law of the 11th June, 1930, with the following duties :-

(*a*) To fix the discount rate, and regulate the money market and fiduciary circulation.
(*b*) To act as an agent for the Treasury
(*c*) To take all necessary steps in collaboration with the Treasury for the future stabilisation of the Turkish pound

The capital of the bank is £T 15 million, of which 70 per cent. has been paid up. It is divided as follows —

"A" Shares (25 per cent.)	Government
"B" Shares (25 per cent.)	State banks
"C" Shares (25 per cent.)	Other banks and concessionary societies.
"D" Shares (25 per cent.)	Commercial bodies, individuals and co-operative societies.

Two of the eight directors are appointed by the Government, of whom one is chairman of the board. The others are appointed by the shareholders. The general manager is appointed by the Treasury. The Minister of Finance may at any time examine the books of the bank.

Its relations with the Treasury have been described in the section on the budget.

As regards its relations with other banks:

(a) It rediscounts for other banks paper of ninety days' maximum carrying three signatures;

(b) Up to a limit of 15 per cent. of its portfolio, it may rediscount notes of nine months' maximum arising out of agricultural transactions;

(c) It may lend against gold and foreign exchange;

(d) It holds the reserves of the other banks.

In October 1931 it became responsible for all notes issued by the Treasury amounting to £T 158,748,563. It received 4 per cent. Treasury bonds of the same nominal amount, plus £T 500,000 gold and certain shares and other securities. As the original notes disappear *pari passu* with amortisation of the Treasury bonds, they will be replaced by:

(a) Notes covered up to 100 per cent. by gold or gold exchange;

(b) Notes issued against the commercial portfolio within limits agreed by representatives of the Turkish banks.

The position on the 20th June 1936 was as follows:

	£T
Original note issue	158,748,563
Withdrawn from circulation	12,064,611
	146,083,952
Issued against gold	16,000,000
	162,083,952

I was chiefly interested in learning how the bank intervened in order to protect the balance of payments and had some conversation with the general manager Suhadin Bay, on this point.

There are at present substantial seasonal variations, and in the non-exporting season the deficit in the foreign exchange account varies between £T 7 and 10 million. To avoid the sale of gold the bank holds a reserve of gold of a value of £T 6,200,000 abroad (chiefly with the B.I.S.) to serve as security against short term borrowing.

As regards the permanent balance it is the duty of the bank to advise the Treasury of danger signals. Each September the general manager prepares a budget of requirements and resources in foreign exchange. He states that for the last five years his estimate has been unduly pessimistic, culminating last September in a prediction of a seasonal deficit of £T 20 million, which led to restrictions in the issues and eventually to the negotiation of the Paris Agreement for the service of the public debt. According to the Treasury, the final return for the year 1935 was in fact a favourable balance of 6,768,100 French francs (£T 508,000) which is treated as a liability to the 1936 budget of foreign exchange.

I put to him my observation of the duty of giving warning leads from time to time to difficulties with spending Ministers.

The gold reserve has up to the present been obtained almost entirely within the country by the purchase of gold coins and ornaments melted into ingots. A relatively small amount of gold has crossed the frontier from Syria.

The bank is inclined to be querulous about the amount of work thrown upon it by the operation of clearing and payment agreements. It does, however, perform one service which deserves the gratitude of foreign creditors. If goods are sold on credit to a Turkish importer in conformity with the customs of a particular trade, it releases the shipping documents to the buyer against a deposit of 5 per cent., and watches carefully to see that subsequent payments are made on the due date or dates. If, on the other hand, a foreign seller is foolish enough to grant credits in excess of the period justified by the nature of the goods, it exerts pressure on the buyer to pay the amount due into the Central Bank before the credit expires.

My general impression of the Central Bank and of the general manager was favourable. He incidentally, is one of the select body of Inspecteurs des Finances, who complete their training in public finance at the French Ministry of Finance.

Sumer Bank

The Sümer Bank was set up under a special law of the 11th June, 1933, with a capital of £T 20 million, which was increased by a further amount of £T 42 million by a law of the 5th July, 1934. Its purpose is to develop national industries in accordance with the plans of the Government. Of its capital of £T 62 million part was furnished in kind by the Government which handed over the industrial assets of the State Industrial Office. The bank further took over the assets of the old Industrial Credits Bank. The greater part is however, to be provided by the Treasury. Six per cent. is to be paid on the capital, but this, and the profits (less 10 per cent. for reserve and 5 per cent. for employees) are to be used to help build up the full £T 62 million. £T 3,200,000 (including the profits) was to be provided by the Treasury in 1934 and not less than £T 3,800,000 per annum therefore subsequently (such advances, as is proposed in the case of the steel plant, by use of the Treasury's credit). The bank's engagements during the five years ending 1934 must not exceed £T 42 million.

The bank may borrow or issue bonds up to a maximum amount of £T 20 million. The period of repayment of a loan must not exceed fifteen years. For such operations Cabinet authority is required and the Treasury may guarantee the debts.

The bank operates through limited companies, which it sets up alone or in co-operation with other organisations to administer the various factories. These, like the bank itself, are exempt from certain taxes. In addition to their nominal capital the bank may make current account advances to these companies, and in general carry out their banking operations.

The bank is a legal person, not subject to the Law of Government Accountancy or the control of the Cour des Comptes. It is administered by a board of five persons. The chairman, the general manager and one other are appointed by the Government on the nomination of the Minister of Economy. One member is similarly appointed on behalf of the Minister of Finance. The last is appointed by the General Assembly of the bank, which consists of three delegates appointed each year, one by the Budget Commission of the National Assembly, the second by the Economic Commission of the National Assembly, and the third by the Prime Minister.

Ish Bank (Banque d'Affaires)

This bank does a mixed business similar to that of the German D banks. Its capital of £T 5 million (of which apparently 50 per cent. paid up) belongs to private individuals. Many of these are Deputies and other people of influence, while it is understood that the Minister of Economy, the Prime Minister and the President himself have a large interest in the bank. It operates in close connexion with the Government, and plays an important part in commercial and industrial life. It has branches in the larger commercial centres of Turkey as well as at Hamburg and Alexandria.

There were (December 31, 1934)(c) £T 2,800,000 reserves, £T 20,500,000 sight deposits and £T 30,400,000 other deposits. £T 14,800,000 cash was held, £T 3,850,000 bills, £T 12 million securities, plus £T 1,500,000 participations, and £T 22,500,000 advances and overdrafts. Guarantees (caution, amounted to £T 17 million.

(c) The 1935 report was in press when I left Angora and a copy is expected within the next few days.

The bank has set up the semi-coke factory at Zonguldak and the glass bottle factory of Pacha Bagtce in co-operation (apparently) with the Sumer Bank, as well as the Kecibaiu Sulphur Works and the sugar combine It holds shares in certain coal-mining companies. Together with the Agricultural Bank it has set up the Raisin Organisation. Finally, it has created a merchant house, Ish (Limited), with a large export business in cereals, nuts, dried fruits and other produce Ish (Limited) has a branch at Hamburg and representatives in other big European centres.

Agricultural Bank.

At one time the only Turkish bank, with very general activities, it is now mainly what its name implies. The bank is controlled by the vilayets and districts and the general manager is appointed by the Government. It stands at the head of the Agricultural Co-operative Credit Movement, which is likely to expand considerably in the next few years Its loans to these societies were about £T 14 million in 1933 and loans directly to agriculturists £T 20 million

The paid-up capital in 1934 was £T 28 400 000 sight deposits £T 38 million, other deposits £T 18 million Other items were cash £T 20 million, loans on current account £T 23 million acceptances and caution guarantees £T 32 million In short, banking operations are conducted on a large scale in connexion with the movement internal and for export of agricultural products.

The bank now manages the national wheat fund and is building a series of elevators Together with the Ish Bank it founded the semi-official Raisin Protection Company, which buys, holds, sells and exports sultanas, and may found similar organisations in other trades

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[R 4779 134 7] No. 34

Mr Eden to Sir P Loraine (Constantinople)

(No 5 Saving)
(Telegraphic) *Foreign Office, August 13, 1936*

YOUR telegram No. 104

We should of course, be glad to see the removal of the obstacles which have hitherto stood in the way of Bulgaria's entry into the Balkan *Entente*, but as you will understand there is no direct contribution which His Majesty's Government can make to bring about such co-operation, for results of sporadic efforts extending over many years show that mere advice from us to Balkan States to settle their differences have little or no effect Therefore, while welcoming Turkish attitude, we feel that it is hardly for us to judge whether moment is ripe for a settlement which it is almost wholly within the power of the members of Balkan *Entente* to promote or obstruct Until other members of Balkan *Entente* have shown themselves favourably disposed, we should not wish you to take any further initiative for fear that exaggerated accounts of your words might cause friction between ourselves and them M Aras may well be in a better position than anyone else to induce such favourable disposition in his neighbours but we venture to think that he would, in any case, be wise to feel his way with extreme caution Meanwhile, your attitude should be one of sympathetic reserve

(Repeated to Athens No. 10, Saving, Sofia, No. 7, Saving, and Bucharest, No 17, Saving)

[E 5159/6159/44] No 35.

Sir P Loraine to Mr Eden (Received August 17)

No. 420) *Istanbul, August 7, 1936*

Sir

IN my despatches No 377 of the 4th August, 1934, and No 489 of the 13th October 1934 I had the honour to transmit to you, respectively, a translation and an analysis of Law No 2510 of the 14th June, 1934, regarding the regional distribution of the population of Turkey

2. I now have the honour to invite your attention to Law No. 2848 of the 18th November, 1935, which introduces certain minor modifications into the earlier law, and of which a translation(*) will be found in *Rizzo*, volume XIV, fascicule 3, pp 90-95 (see my despatch No. 53 of the 31st January, 1936)

3. In accordance with article 2 of the law as modified, Zone No. 1 is now defined as that in which it is desired to *intensify* the population of Turkish culture. Under the revised article 3, the Council of Ministers will determine by special decree the persons who may be considered as being "attached to Turkish culture," and the localities in which such elements are to be found in foreign countries mingled with the indigenous population. The other modifications call for no special comment, except that in certain cases the authority for the execution of the stipulations of the law is transferred from the Minister of the Interior to the Minister of Hygiene

I have, &c
PERCY LORAINE

Annex

Extract from the Resmi Gazeta ("Journal officiel"), *No* 3162, *du* 21 *Novembre* 1935.

Loi No 2848 *votée le* 18 *Novembre* 1935 *portant Modification de certains Articles de la Loi sur l'Installation de la Population*

Article 1er L'article 1er de la Loi No 2510 relative à l'installation de la population est modifié dans la forme suivante

Les opérations d'établissement et d'installation de la population de Turquie, attachée à la culture turque, d'après le programme qui sera élaboré par le Conseil des Ministres conformément aux prescriptions de la loi *ad hoc*, sont confiées au Ministère de l'Intérieur et au Ministère de l'Hygiène et de l'Assistance sociale communément

Art 2 L'article 2 de la même loi est également modifié comme suit

Suivant une carte géographique qui sera dressée conjointement par le Ministère de l'Intérieur et celui de l'Hygiène et de l'Assistance sociale et approuvée par le Conseil des Ministres, la Turquie sera divisée, au point de vue de l'installation de la population, en trois zones différentes savoir

(1) La première zone est celle où l'on voudrait intensifier la population et la culture turque

(2) La deuxième zone comprend les régions dans lesquelles seront transférés et installés les habitants de Turquie qu'on voudrait assimiler à la culture turque.

(3) La troisième zone comprend les régions qui seront évacuées et dans lesquelles il est interdit de s'installer et de s'établir pour cause de climat, d'hygiène, d'économie, de culture, et pour des motifs politiques, militaires et de discipline.

Les modifications qu'il y a lieu d'apporter à la carte approuvée délimitant les zones d'installation, exigées par les nécessités de l'époque et des circonstances, seront effectuées par les Ministères intéressés, et cela à la suite d'une décision arrêtée par le Conseil des Ministres

Art 3 L'article 3 de ladite loi est aussi modifié dans la forme suivante

Les individus de race turque qui vivaient à l'état fixe ou nomade, et qui arrivent par unité pour s'établir en Turquie, seront admis et installés par ordre du Ministère de l'Hygiène et de l'Assistance sociale

Quant à ceux qui veulent rentrer en Turquie par groupe ou tribu d'individus de race turque, leur admission est subordonnée à l'autorisation du Ministère de l'Hygiène et de l'Assistance sociale, qui aura préalablement consulté à cet effet son collègue de l'Intérieur Ces individus sont appelés des immigrants.

(*) Printed as an annex.

Le Conseil des Ministres fixera, par un décret spécial, les individus qui peuvent être considérés comme étant attachés à la culture turque et le territoire des États où ils se trouvent mêlés à sa population

Ceux qui viennent en Turquie, non pour s'y établir, mais amenés par des circonstances impérieuses à y rester un certain temps, s'appellent des réfugiés Pour ceux, parmi les réfugiés, qui désirent s'établir en Turquie et en expriment la demande par une requête écrite présentée au plus haut fonctionnaire civil de la localité où ils se trouvent, le Ministère de l'Hygiène et de l'Assistance sociale agira comme s'ils étaient des immigrants, sauf pour les cas signalés à l'article 4

A l'égard des autres réfugiés le Ministère de l'Intérieur agira en conformité de la loi qui concerne ceux qui sollicitent la nationalité turque

Un règlement définissant les procédés d'admission des immigrants sera élaboré par le Ministère de l'Hygiène et de l'Assistance sociale un autre concernant les réfugiés, sera élaboré par le Ministère de l'Intérieur

Art 4 L'article 8 de ladite loi est aussi modifié dans la forme suivante

Le Ministère de l'Hygiène et de l'Assistance sociale dispose de l'autorité d'opérer, sur la proposition des Ministères intéressés, le transfert des habitants fixes ou nomades de Turquie des trois zones prévues dont les villages ne disposant pas de terres arables suffisantes, ou situés sur un sol alluvionnaire, marécageux boisé, montagneux ou pierreux ne leur permettent pas d'assurer leurs moyens de subsistance et de les installer dans des endroits propices et de permettre à ceux dont les habitations sont éparpillées, de se réunir dans des centres convenables. d'y transporter leurs foyers leurs biens et leurs troupeaux, et d'empêcher la construction d'autres habitations dans ce genre

Art. 5 L'article 9 de la même loi est modifié comme suit

Le Ministère de l'Hygiène et de l'Assistance sociale procédera à l'installation des 'gitanes,' bohémiens ambulants, et des tribus vivant à l'état nomade, qui appartenant à la sujétion turque, en les éparpillant dans les bourgs et les villages de culture turque et en interdisant leur attroupement, et d'expulser hors des frontières, à la suite de la proposition du Ministère de l'Intérieur et par décret du Conseil des Ministres tout individu qui serait suspect d'espionnage

Quant aux habitants de sujétion étrangère et aux nomades qui n'ont aucune attache avec la culture turque ceux qui seront expulsés du territoire national par les soins du Ministère de l'Intérieur, qui dispose de cette autorité.

Art 6 Les paragraphes C et Ç de l'article 10 de la susdite loi sont modifiés comme suit

§ C Le transfert dans des localités convenables des individus, qui, avant la publication de la présente loi, exerçaient l'autorité de chefs de tribus, de beylik, d'ayvalik, et de cheiks ainsi que ceux qui veulent continuer à détenir cette autorité, et dont l'établissement sur le long des frontières sera reconnu incompatible avec les mesures d'ordre et de sécurité, sera effectué par les soins du Ministère de l'Hygiène et de l'Assistance sociale, sur la proposition du Ministère de l'Intérieur approuvée par décret du Conseil des Ministres

§ Ç Le Ministère de l'Hygiène et de l'Assistance sociale s'occupera aussi du transfert et de l'installation des tribus et des individus nomades qui appartiennent à la sujétion et à la culture turque à des endroits disposant des conditions requises au point de vue d'hygiène et de subsistance

Ceux parmi ces nomades qui sont des sujets de Turquie mais qui ne sont pas attachés à la culture turque seront installés, par éparpillement, dans les territoires de la zone No 2 par les soins du Ministère de l'Hygiène et de l'Assistance sociale, sur la proposition du Ministère de l'Intérieur quant aux tribus et aux individus nomades qui n'appartiennent ni à la sujétion turque ni à sa culture ceux qui seront selon les exigences des cas, expulsés hors des frontières de la Turquie par le Ministère de l'Intérieur, à condition que le Ministère de l'Hygiène soit informé du cas

Art 7 Le paragraphe B de l'article 11 de la loi en question est modifié comme suit

B Le Ministère de l'Intérieur pourra, sur décision du Conseil des Ministres appliquer à l'égard de ceux qui n'appartiennent pas à la culture turque, et de ceux qui parlent toute autre langue que la langue turque les mesures rendues

nécessaires, pour des raisons culturelles, militaires, politiques, sociales et disciplinaires. Leur transfert et leur installation par éparpillement dans différents endroits ainsi que leur déchéance de la nationalité turque, sont compris parmi ces mesures.

Ceux dont le transfert sera décidé, seront installés par les soins du Ministère de l'Hygiène et de l'Assistance sociale, en ayant soin de les éparpiller dans différents endroits convenables.

Art 8 Les paragraphes 1 et 2 de l'article 13 de la même loi sont modifiés dans la forme suivante

§ 1 Il dépend du Ministère de l'Hygiène et de l'Assistance sociale de procéder, après s'être concerté avec son collègue de l'Intérieur, à l'installation, dans les endroits jugés convenables de ceux cités ci-dessus, savoir

A Des émigrés et les réfugiés venant de l'étranger

B Des tribus vivant dans les différentes zones

C De ceux qui seront transférés des zones Nos 1 et 3

Ç De ceux qui appartiennent à la population des zones Nos 1 et 3 et qui, étant mariés après avoir accompli leur service militaire, désirent demeurer dans ces susdites zones

D De ceux qui se trouvant dans la zone No 1, n'étant pas d'origine turque, demandent s'y établir

§ 2 Seront aussi transférés et installés par les soins du Ministère de l'Hygiène et de l'Assistance sociale sur la proposition des Ministères intéressés approuvée par décret du Conseil des Ministres et munie des appréciations du Ministère de l'Intérieur les individus susdésignés ci-dessus et qui sont

A Les agriculteurs qui ne possèdent pas de terres, et ceux qui n'en ont que très peu

B Les sinistrés et ceux qui ont souffert des inondations, des éboulements causés par les torrents et d'autres du même genre

C Les habitants des endroits dont les terres sont arides et improductives situés dans les montagnes escarpées et dangereuses, ainsi que ceux des localités devant être évacuées pour des raisons semblables

Ç Ceux dont le transfert est reconnu nécessaire pour des raisons culturelles, politiques administratives sociales économiques et militaires

Art 9 Les expressions "Ministère de l'Intérieur" figurant aux paragraphes 5 et 6 de l'article 15 au dernier paragraphe de l'article 24 à l'article 25, au paragraphe A de l'article 29, à l'alinéa 2 de l'article 30, et dans le texte des articles 41 42, 43 et 45 de la Loi No 2510 sur l'Installation de la Population, sont substituées par les expressions "Ministère de l'Hygiène et de l'Assistance sociale" et "Ministre de l'Hygiène et de l'Assistance sociale"

Art 10 Cette loi entre en vigueur à partir de la date de sa publication

Art 11 Le Conseil des Ministres est chargé de l'application des dispositions de la présente loi

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E 5269, 23/44 No 36

Sir P Loraine to Mr Eden (Received August 20.)

(No 425 E.)

Sir *Istanbul August* 11, 1936.

I HAVE the honour, with reference to Mr Morgan's despatch No 322 E of the 8th June relating to the budget estimates for 1936 37, to transmit to you herewith a Turkish translation of Law No 3037, voted on the 11th June, approving extraordinary credits amounting to LT 25 780,0 for the financial year 1936 37

2 These credits are supplementary to the sums for departmental expenditure authorised in the ordinary budget It is by no means certain where the additional revenue is to be found to meet this supplementary expenditure which

may not be incurred except in so far as it is covered by "extraordinary revenues." The Turkish Treasury anticipate that the budget estimates of revenue will be exceeded in actual practice and the surplus will presumably be utilised to cover these advances but apart from this problematical source there is no indication of the means by which extra revenue is to be found.

3. The extraordinary credits are distributed amongst the following Departments —

	£T
Gendarmery	100,000
Ministry of Health	4,150,000
Ministry of Education	817,000
Ministry of Public Works	4,918,000
Ministry of Economy	7 595,000
Ministry of Agriculture	700 000
Ministry of National Defence	7,500,000

4. I am sending a copy of this despatch to the Department of Overseas Trade

I have, &c.
PERCY LORAINE

E 5270/26, 44] No. 37

Sir P. Loraine to Mr. Eden. (*Received August 20.*)

(No. 420.) *Istanbul, August 12, 1936.*

Sir,

I HAVE the honour, with reference to my despatch No. 411 of the 4th August, to transmit to you the accompanying copy of a note from the Ministry for Foreign Affairs enclosing the text of new regulations which will be applied provisionally in the Straits from the 15th August, 1936.

2. From the notice regarding saluting stations in the regulations it seems possible that the Turkish Government intend that warships and auxiliaries should in future salute the Turkish flag by firing guns on entering the Straits regardless of whether they intend to visit a port in the Straits or not. So far as His Majesty's ships are concerned this would, I understand, be an entirely novel proceeding as the King's Regulations only permit vessels when at sea (1) to salute the standard of a member of the Royal family, a crowned head, a President of a Republic or a member of a foreign Royal Family, when that standard is actually flying in another vessel, and (2) to exchange salutes with foreign or other British warships. Moreover the Turkish regulations embrace auxiliaries which are not saluting vessels in the Royal Navy. The present practice as regards saluting in the Straits is that only warships actually visiting and anchoring at a port in the Straits where a salute can be returned salute the Turkish flag with twenty-one guns. The only port coming under this denomination is Istanbul where ships usually fire the salute shortly before anchoring, the salute being returned by the saluting battery at Haydarpaşa.

3. The other regulations do not seem to call for any special comment, except that the emergency route for seaplanes appears a little vague.

I have, &c.
PERCY LORAINE.

Enclosure in No. 37

Turkish Ministry for Foreign Affairs to His Majesty's Embassy in Turkey

Le Ministère des Affaires étrangères a l'honneur de transmettre, pour toutes fins utiles aux Missions diplomatiques accréditées à Ankara, la communication ci-jointe concernant les nouvelles dispositions qui seront appliquées provisoirement à later du 15 août 1936 dans le détroit des Dardanelles, la mer de Marmara et le Bosphore, compris sous la dénomination générale de "Détroits."

Ankara, le 5 août 1936.

Sub-Enclosure.

Ministère des Affaires étrangères,
Ankara, le 5 août 1936.

Conformément au protocole annexé à la Convention concernant le Régime des Détroits signée à Montreux le 20 juillet 1936, le Gouvernement de la République turque devant appliquer provisoirement, à partir du 15 août 1936, le régime spécifié dans ladite convention, vient de prescrire les dispositions suivantes qui seront appliquées provisoirement à dater du 15 août 1936, dans le détroit des Dardanelles, la mer de Marmara et le Bosphore, compris sous la dénomination générale de "Détroits."

Les Stations de Signaux mises à l'Usage des Bâtiments de Guerre et des Bâtiments auxiliaires lors de la Traversée des Détroits

1. Les stations de signaux désignées ci-après seront mises à la disposition des bâtiments de guerre et des bâtiments auxiliaires étrangers, lors de leur passage dans les Détroits, pour les communications qu'ils devront faire, conformément à l'article 13 de la Convention concernant le Régime des Détroits signée à Montreux le 20 juillet 1936.

A l'entrée des Dardanelles: La station de signaux de Seddulbahir (Poste de T.S.F. de Seddulbahir).

A l'entrée du Bosphore: La station de signaux de la mer Noire (Poste de T.S.F. de Baykdere).

2. Le commandant des bâtiments de guerre et des bâtiments auxiliaires étrangers devant passer par les Détroits communiquera à 50 milles de l'entrée des Détroits par T.S.F. auxdites stations la composition exacte de la force se trouvant sous ses ordres.

3. Les bâtiments de guerre et les bâtiments auxiliaires étrangers, lors de leur passage dans les Détroits, doivent hisser leurs noms au moyen de signaux à l'usage international tant qu'ils se trouveront à une distance visible desdites stations.

4. Les bâtiments de guerre et les bâtiments auxiliaires étrangers qui auraient subi une avarie lors de leur traversée devront conformément au dernier alinéa de l'article 14 de la convention du 20 juillet 1936, communiquer immédiatement, par T.S.F. aux stations de signaux ci-dessus mentionnées, l'endroit où ils se trouvent (avec indication de la longitude et de la latitude) et la nature de leur avarie.

Ces bâtiments se serviront en même temps desdites stations pour connaître la ligne de conduite qui leur sera désignée par la Turquie conformément au même alinéa de l'article susdit.

Batteries de Salut destinées aux Cérémonies militaires

Pour les saluts réciproques à échanger entre les places fortes du Bosphore et des Dardanelles et les bâtiments de guerre et les bâtiments auxiliaires étrangers, une batterie de salut sera disposée à Anadolu Kavagi, à l'entrée du Bosphore, ainsi qu'une autre à l'endroit dit de Çimenlik à Çanakkale, à l'entrée des Dardanelles.

Postes de Pilotage

Pour le service de pilotage, fonctionneront les postes dont le désignement suit:

A l'entrée des Dardanelles:

Poste de Morto
Poste de Gehlolu

A l'entrée du Bosphore:

Poste de Baynkliman
Poste de Haydarpaşa

PUBLIC RECORD OFFICE, LONDON

Routes aériennes

Les aéronefs civils suivront les lignes suivantes pour leur passage entre la Méditerranée et la mer Noire

Les Avions. -Pour le passage de la Méditerranée à la mer Noire, la ligne aérienne Enos Midye

Pour le passage de la mer Noire à la Méditerranée, la ligne aérienne Midye Enos.

Les Hydravions. Suivant les mêmes lignes ci haut indiquées et pourront en cas de nécessité survoler Fregli (en Marmara)

Zones interdites dans les Détroits

Le Gouvernement de la République turque fera connaître incessamment les zones interdites qui seront instituées dans les Détroits

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E 5253/26/44] No. 38

Sir P. Loraine to Mr. Eden.—(Received August 19.)

(No. 136.)
(Extract.)

Istanbul, August 15, 1936.

Sir,

I HAVE the honour with reference to my despatch No. 415 of the 8th August to transmit herewith a corresponding copy of a despatch from Captain Macdonald reporting that the Straits Commission has ceased to function as from the 15th August and that the Turkish Government have taken over its duties.

* * * * * *

I have, &c.
PERCY LORAINE.

Captain H. H. S. Macdonald to Sir P. Loraine.

(Extract.)

Istanbul, August 15, 1936.

Sir,

I HAVE the honour to inform you that as from to-day the Straits Commission has ceased to function, and the Turkish Government have taken over its duties.

2. Arrangements are being made to transfer all archives to the Ministry for Foreign Affairs at Angora.

3. I am depositing in this Embassy copies of the minutes of all plenary meetings of the commission.

4. As soon as the immediate affairs of the commission are liquidated, as provided for in my letter to you of the 3rd August, I propose to proceed to England.

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I have, &c.
H. H. S. MACDONALD.

E 5307/1378/44] No. 39

Sir P. Loraine to Mr. Eden.—(Received August 21.)

(No. 111.)
(Telegraphic.)

Constantinople, August 21, 1936.

MY telegram No. 108.

Turkish Government accept with the greatest pleasure suggestion that Turkish fleet should visit Malta this autumn. They express, however a decided preference for dates between 5th October and 31st October.

I gave them to understand, when putting forward the suggestion, that a formal invitation would be sent to them if their answer to my sounding were affirmative.

Please instruct me about this at your convenience.

W 9532/62/41] No. 40

Mr. Eden to His Majesty's Representatives at Rome (No. 337), The Hague (No. 31), Vienna (No. 32), Belgrade (No. 88), Sofia (No. 28), Athens (No. 130), Riga (No. 24), Copenhagen (No. 36), Helsingfors (No. 25), Durazzo (No. 14), Lisbon (No. 109), Brussels (No. 76), Budapest (No. 26), Bucharest (No. 98), Angora (Istanbul) (No. 74), Warsaw (No. 71), Stockholm (No. 52), Oslo (No. 37), and Prague (No. 50).

(Telegraphic.) R

Foreign Office, August 27, 1936.

FRENCH Government are issuing instructions by circular telegram to all European posts to urge the respective Governments to send replies, if they have not already done so, to French proposals for non-intervention in Spain, and to put the proposed measures into operation forthwith. They are also suggesting the establishment at some capital of a committee whose function would be (1) to plan the measures already being taken by the various Governments, (2) to consider other questions which may arise and the means of dealing with them.

Please give full support to your French colleague in his representations.

Prohibition of export of munitions of war to Spain is already in force in France, Germany, United Kingdom.

W 9981/9549/41] No. 41

Sir P. Loraine to Mr. Eden.—(Received August 28.)

(No. 115.)
(Telegraphic.) R

Constantinople, August 28, 1936.

YOUR telegram No. 74.

I acquainted French Chargé d'Affaires at once with your instructions, with which he was much gratified.

Up till then he had found no opportunity to act on his own instructions. He has now carried them out and tells me that Turkish Government are quite in accord and will appoint a representative on proposed committee, of which he tells me London has now been chosen as seat.

I shall have an opportunity to speak in desired sense myself to-morrow and will use it.

W 10114/9549/41] No. 42

Sir P. Loraine to Mr. Eden.—(Received August 31.)

(No. 117.)
(Telegraphic.)

Constantinople, August 30, 1936.

MY telegram No. 115.

I have supported representations made by French Chargé d'Affaires.

Turkish representative in London will represent Turkish Government on proposed committee.

French Government requested Turkish Government to make their reply to earliest French representations more specific The Turkish Government did this willingly and to the entire satisfaction of the French Government

Also Turkish Government made in the first place a reservation, which French Government accepted, that their adhesion to French proposals as regards Spain did not constitute a precedent debarring the rendering of assistance in all and any circumstances to a lawful and friendly Government

Turkey is now completely in line and has agreed on embargo on the export of war material &c

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[P 3179, 278 150] No. 43.

Sir P Loraine to Mr Eden (Received September 2)

(No. 119)
(Telegraphic) *Constantinople, September 1, 1936*

THE recent growth of cordial understanding and friendship between the United Kingdom and Turkey has much encouraged me in a project that I have been considering for some time of

1 Reviving idea of creating in Anglo Turkish society for development of cultural relations between the two countries and

2 Of proposing foundation of a British school of archæology in Turkey similar to those which have existed for some time in Rome and Athens and for which there is widest scope

I believe Turkish mentality is ripe for both these purposes and I anticipate that Turks to day would not only agree to both projects but also warmly welcome them I have taken no soundings myself amongst Turks but have, nevertheless some grounds for this view

I had intended before long to submit general proposals to you in both respects but am impelled to urge that golden opportunity offered by the King's visit to Turkey for obtaining a willing and probably even enthusiastic assent of Turks ought not to be missed

Objects in either case are non political and therefore fitting to occasion and I feel no more useful or enduring monument could mark that event than the creation of the two institutions in question

May I beg you earnestly to authorise me to proceed with these ideas according to my discretion and of course after their submission to The King for his approval and in order that the institutions may be associated in some way by his permission with His Majesty's name

Your authority to be useful should reach me on Thursday evening prior to The King's arrival here As in any case it would only be possible to reach agreement in principle with Turks during The King's visit, degree of latitude that I am seeking from you is not as wide as it may at first appear The detail in either case will take a lot of thinking and working out There could no possibly be a more favourable moment than this one for broaching the subject

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[P 3179/278/150] No. 44.

Mr Eden to Sir P Loraine (Constantinople)

(No. 76)
(Telegraphic) *Foreign Office, September 3, 1936*

YOUR telegram No 119 of 1st September Anglo Turkish cultural relations I fear I cannot, at such short notice, authorise you to proceed as you suggest Your two proposals would first have to be worked out in detail and submitted to the British Council, whose chairman is at present absent Moreover, they would inevitably involve considerable expense, and it would be essential before putting them forward to make sure that adequate funds would be available to establish

and maintain the two bodies you suggest The British Council, unfortunately, have already allotted all their funds for the current year, and would not be in a position until further funds have been collected, to give any support. Even then, other important existing or projected British institutions abroad are likely to have a prior claim

In these circumstances I must, with great reluctance, ask you to hold your hand

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E 5735/4/93] No. 45.

Mr Morgan to Mr Eden —(Received September 9)

(No. 132)
(Telegraphic) *Constantinople, September 9, 1936*

YOUR despatch No 42.

Turkish Prime Minister and Minister for Foreign Affairs were approached by Nuri Pasha, but flatly refused to countenance settlement of Assyrians in Hakkiari district or elsewhere in Turkey They also expressed dislike of settlement of Assyrians in Syria and would prefer that they should be sent to Cyprus Failing this, they might be willing to suggest to Iran Government that Assyrians be allowed to settle in Iran

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E 6756/26/44] No. 46.

LEAGUE OF NATIONS. C.371 M 241 1936 VII

Geneva, September 3 1936

CONVENTION RELATING TO THE RÉGIME OF THE STRAITS, SIGNED AT MONTREUX, JULY 20, 1936.

Communication from the Vice-President of the Straits Commission

Note by the Secretary-General (Received in Foreign Office, September 11

THE Secretary-General has the honour to communicate to the members of the League of Nations the following note addressed to him by the Vice-President of the Straits Commission on the 24th August, 1936.

(Translation) *Istanbul, August 24, 1936.*

To the Secretary-General,

Article 24 of the Convention relating to the Régime of the Straits, signed at Montreux provides that the functions of the Straits Commission set up under the convention signed at Lausanne on the 24th July, 1923, shall be taken over by the Turkish Government

Furthermore, paragraph 2 of the protocol annexed to the new convention stipulates that the Turkish Government shall apply the régime provided for in the new convention as from the 15th August, 1936.

The Turkish Government has notified the Powers concerned that it will apply the regime as from that date.

The commission which has been carrying out its functions under the auspices of the League of Nations has, moreover, decided to suspend its activities, subject to the reservations made by the representative of Italy.

I have, &c.

JEAN LESCUYER,
Vice President of the Straits Commission.

A 7284/4/45] No. 47

Mr Eden to Mr Newton (Berlin)

(No 1054.)
Sir *Foreign Office September* 12, 1936

THE German Chargé d Affaires was requested to call at the Foreign Office on the 7th September and was asked whether he had yet received any reply from his Government on the questions referred to in my despatches Nos 869 and 937 of the 25th July and the 6th August last regarding the conclusion of an Anglo German Naval Agreement On his replying in the negative he was urged to do what he could to hasten a reply seeing that time was getting short

2 Prince von Bismarck stated that he had however received instructions to convey an unofficial warning of the very serious view which his Government took of the strategical consequences of the recent decisions at Montreux On general grounds of principle the German Government of course approved the granting to Turkey of authority to remilitarise the Straits since Turkey had at that time assured the powers of rights with other Powers Nevertheless it must now be recognised that as Turkey was completely under Russian influence Soviet warships would in practice be able to come from the Straits in war time attack enemy warships in enemy trade and then retire to the safety of the Black Sea without incurring the risk of pursuit Similarly the Union of Soviet Socialist Republics would now be able to base the naval defence of the Black Sea to Turkey s detriment on the all the naval forces in the Baltic Having regard to the present state of Russo German relations the situation had thus been modified to Germany s disadvantage

3 It was pointed out to Prince von Bismarck that there were certain fallacies in these German contentions In the first place was there any justification for assuming that Turkey would inevitably be allied with Russia in any future war? Would it not be just as reasonable to assume that the more fact of the remilitarisation of the Straits would give Turkey a greater sense of independence and encourage her to stand against Italian hostility? It would surely be quite wrong to assume pending further developments that Turkey will ally herself either openly or secretly with Soviet Russia If she did not do so and on the contrary carried out the terms of the Montreux Treaty, the whole German case fell to the ground

4 But assuming for the sake of argument, that Russian influence became paramount at Angora would Germany s strategic position have been prejudiced by the Montreux Treaty? This could not be admitted in the absence of satisfactory answers to the two following points

(1) Even if the position had remained regulated by the Lausanne Treaty would the German Admiralty in the event of war with Russia, have risked sending a squadron into the Black Sea, knowing that Turkey was friendly to Russia and would be able to bottle up the German fleet in the Black Sea by the simple process of moving 12 inch guns rapidly into the demilitarised zone?

(2) Was it likely that Soviet Russia would place her security so completely into the hands of a foreign Power, however friendly at the moment as to denude her Black Sea coasts of naval defences, or even to reduce those forces below their present low level?

5 Prince von Bismarck being unable to answer these questions it was suggested to him that answers to these and other similar questions would have to be forthcoming before the German Government could hope to convince His Majesty s Government that the strategical position had been altered to Germany s disadvantage by Montreux If the German answer to question (1) was in the affirmative Germany s point of sound strategy must differ considerably from that of this country s If the German answer to question (2) was in the affirmative the German estimate of the shrewdness and far sightedness of the Soviet Government must be much inferior to that of His Majesty s Government in the United Kingdom

6. Prince von Bismarck promised to put these points to his Government, but he repeated, on leaving, that he had been instructed to emphasise the serious view which his Government took of the strategical situation created by Montreux

I am, &c.
ANTHONY EDEN

E 5881/28/44] No. 48

Mr. Morgan to Mr Eden.—(Received September 17.)

No. 468 E.)
Sir, *Istanbul, September* 11, 1936.

I HAVE the honour, with reference to Sir Percy Loraine s despatch No. 425 E of the 11th August last, relating to supplementary credits for the financial year 1936-37, to transmit to you the accompanying copies of two additional laws on this subject.(1)

2. By virtue of Law No 3061 (Enclosure A), which forms an appendix to Law No. 3037 of the 11th June a translation of which was enclosed in Sir Percy Loraine s despatch under reference, a further credit of £T 5 million has been allocated to the Ministry of National Defence (land forces and military factories). As in the case of credits already voted by virtue of Law No. 3037, the additional credit is supplementary to the votes for department expenditure authorised in the ordinary budget

3 The sources to meet this additional expenditure will be additional revenue which the Turkish Treasury anticipate on the budget estimates for the current year If the anticipated additional revenue is insufficient to cover the contemplated expenditure, the deficit may be carried over to subsequent years

4 By virtue of Law No. 3061 Enclosure B), the expenditure of £T 8 million on the manufacture of artillery supplies authorised by Law No 2980 to which it forms an appendix and which was referred to in the Ottoman Bank s budget analysis transmitted with my despatch No. 322 E of the 8th June last) is reduced by £T 2 million and expenditure on artillery material is increased by the same amount

5 I am sending a copy of this despatch to the Department of Overseas Trade

I have, &c.
JAMES MORGAN

(1) Not printed

[T 14129/8725 378] No 49.

Mr Morgan to Mr Eden (Received September 17)

(No 469)
Sir, *Istanbul September* 12 1936

I HAVE the honour to inform you that His Majesty The King, travelling incognito as the Duke of Lancaster arrived off Imbros, on board the yacht *Vahlia* on the morning of the 3rd September for the purpose of paying a private visit to the Gallipoli Peninsula and to Istanbul His Majesty was met outside the Straits by the two Turkish destroyers *Adatepe* and *Kocatepe* Escorted by these and H M S S *Grafton* and *Glowworm* the yacht proceeded to Suvla and thence to Seddul-bahir and Kilia, at both of which places The King landed to visit the battlefields and the war graves In his tour of the peninsula The King was accompanied by General Fahrettin Altay a Turkish army inspector specially delegated by his Government to welcome His Majesty on his arrival, Colonel Woods commercial secretary at this Embassy, and Mr T Millington, local representative of the Imperial War Graves Commission All three had special local knowledge as all had taken part in the Gallipoli campaign and as, in addition, Mr Millington has for many years past been carrying on his duties on the peninsula

2 Before the arrival of the *Vahlia* at Kilia a salute of twenty one guns in honour of His Majesty was fired from Canakkale and was acknowledged by dipping the flag of the yacht With the permission of The King advantage was taken of his landing at Kilia to present to him the small British colony of Canakkale and district

3 On the conclusion of the visit to the peninsula, the *Nahlin* sailed for Istanbul and arrived off Dolmabahçe Palace, the residence of the President of the Republic at 11 A.M. on the 4th September. At 12.15 P.M. The King, accompanied by His Majesty's Ambassador, landed and was received at the landing steps by Kamâl Atatürk. His Majesty and the President then drove together to the British Embassy, where The King received the personal visit of the President. In the afternoon The King paid a return personal visit to the President at Dolmabahçe Palace.

4 The King's stay in Turkey lasted until the 6th September, on the evening of which His Majesty left Istanbul in the presidential train which had been placed at his disposal by Kamâl Atatürk. The King was seen off at the station by the President, who was accompanied by the members of the Cabinet.

5. The visit caused great enthusiasm among all classes in the country. All were proud and pleased at the honour done to Turkey. The Government has been strengthened, and Anglo-Turkish friendship, which Atatürk has personally fostered of late years, has taken a great step forward here. The feelings of the population were manifest in their evidently spontaneous demonstrations of pleasure both during the Venetian carnival night, when brightly illuminated craft of all kinds crowded far beyond all regulations close to the *Nahlin* and at Moda where The King and Atatürk viewed a regatta organised in honour of His Majesty, and where His Majesty landed for a short time to receive the British colony. The Turkish press produced admirable photographic reports of the various incidents of the visit and cordial articles on Anglo-Turkish relations. Police arrangements were as usual excellent. All suspects were kept under close surveillance by the authorities. It was clear that the orders to the press and the public that His Majesty should be left entirely free during his stay were respected.

A fresh example of the discipline of the Turkish race. There is no doubt that in every way, the visit was a great success.

I have &c.
JAMES MORGAN

E 5890 5890/44] No. 50

Mr Morgan to Mr Eden.—(Received September 18.)

(No. 472.)

Istanbul, September 12, 1936.

Sir,

I HAVE the honour, with reference to my despatch No. 117 of the 1st September, 1934, to inform you that the third Turkish language congress was held at Dolmabahçe Palace at Istanbul from the 24th to the 30th August. The congress was opened with the Minister of Public Instruction in the chair and with the attendance of the President of the Republic, most of the Cabinet and many Deputies and other leading Turks.

2. Various prominent foreign oriental scholars, including Sir Denison Ross, Director of the London School of Oriental Studies, were invited to collaborate in the work of the congress as guests of the Turkish Government having been given to understand that they would be asked to contribute to investigations into the origins of the Turkish language, and to suggesting methods for its further rationalisation along the lines of recent reforms. I learnt, however, that the congress was in fact little engaged on serious etymological discussions, as it was occupied almost exclusively by listening to the exposition by certain Turkish authorities of the so-called "Sun Theory," mention of which was made in Sir P. Lorraine's telegram No. 112 of the 24th August. This theory of language postulates that the Turkish is the oldest race in the world, that the earliest Turks were sun worshippers who derived their conceptions of life from the idea of the sun, and that thus Turkish "sun language" was the parent of all other tongues. The theory, which I am privately informed on the best expert authority, is entirely devoid of a scientific basis, is personally sponsored by Kamâl Atatürk, whose interest in it is sufficient to explain the enthusiasm by which it was expounded by Turkish delegates to the congress, and the tactful silence of the foreign scholars.

I have, &c.
JAMES MORGAN

E 5981/690/44] No. 51

Mr Eden to Bay Sedat Zeki Ors

Foreign Office, September 25, 1936.

Sir,

WITH reference to the *note verbale* which M. Fethi Okyar was so good as to send me on the 9th July, I have the honour to inform you that His Majesty's Government in the United Kingdom have carefully considered the arguments presented by his Excellency in his note of the 13th May, and in earlier notes, respecting the claims of the heirs of the late Sultan Abdul Hamid, but regret that they can see no reason to alter their opinion that the Turkish Government are not entitled to support these claims diplomatically or otherwise, and that the claims are in any case invalid.

2 In the first place it is a well established rule that the diplomatic support of a private claim by the Government of the claimant is not admissable unless it can be shown both that all municipal remedies have been exhausted by the claimant and have failed, and that the decision given in these proceedings either constitutes a denial of justice or is otherwise contrary to the international obligations of the State by whose courts it was given. In the present case it cannot be maintained that municipal remedies have been exhausted. Apart from a single instance in which proceedings are still pending in the courts of Palestine, municipal remedies have not been sought in the courts of any of the territories within which the properties are situated to which claim is laid.

3 In the second place His Majesty's Government find themselves obliged to indicate their strong dissent from the view expressed by M. Okyar that the question of the assignment of their claims by the heirs is one of no importance. It is, on the contrary, clearly established by many accepted precedents and arbitral decisions that diplomatic support can be given only in respect of a claim which at the time when the circumstances out of which the claim arose occurred became vested in a national of the State making the claim and remained right up to the moment of the diplomatic claim continuously vested in nationals of that State, so that if at any moment between these dates it had been paid the payment would have been due to a national of the State making the claim.

4 In the present case it has been evident, from the time when claims to the properties in question, based upon alleged rights of succession to the late Sultan were first brought to the attention of His Majesty's Government, that some or all of the heirs have purported to assign their claims by means of a number of transactions involving non-Turkish assignees. I need only refer you to the pleadings in the proceedings before the Anglo-Turkish Mixed Arbitral Tribunal set up by the Treaty of Lausanne, in which judgment was delivered on the 16th December, 1930. From these pleadings as well as from information subsequently received by His Majesty's Government it clearly appears that assignments of the rights under the claims have been made at least to the following companies:

Abdul Hamid Landed Estates (Limited).
Abdul Hamid British Trust (Limited).
Abdul Hamid Mines (Limited).
Abdul Hamid Oil Concessions (Limited).
Ottoman Imperial Estates (Incorporated).
Sultan Abdul Hamid Estates (Incorporated).
Consolidated Eastern Corporation (Limited).

and on behalf of some of these companies His Majesty's Government have received notice that negotiations should not be entered upon with any other person.

5 I desire at this point to make it clear that, when I requested M. Okyar to furnish details of these assignments, it was not with the object of recognising any rights or interests in the assignees (with whose rights and interests His Majesty's Government are in no way concerned) but because His Majesty's Government desired to be assured (and were entitled to ask the Turkish Government to prove to their satisfaction) that the claims now put forward by the Turkish Government are made on behalf of, and have always without interruption been vested in, Turkish nationals. Only in these circumstances would the Turkish Government be entitled to support these claims, and, pending a complete

elucidation of all the assignments which have been made His Majesty's Government must maintain the position that they are unable to recognise the *locus standi* of the Turkish Government in this matter

6. The foregoing observations apply generally to all the claims brought to the notice of His Majesty's Government In addition, special considerations apply to certain of these claims In the first place, in so far as M Okyar's notes refer to properties situated in the Kingdom of Iraq His Majesty's Government desire to make it clear that, in view of the status of that Kingdom as an independent sovereign State they accept no responsibility in respect of claims to such properties

7 Furthermore, so far as the present claims relate to properties situated in Cyprus, the Turkish Government will be aware that that island was annexed on the 5th November 1914 and that the annexation was recognised by Turkey in article 20 of the Treaty of Lausanne Cyprus is not in consequence in any way affected by article 60 of that treaty, and no argument based upon article 60 can be invoked in support of the claims as regards properties in Cyprus

8 I would add that His Majesty's Government have always maintained that prior to the British occupation the late Sultan possessed no land in Cyprus and that he was not entitled to put forward any claim for land alleged to have been acquired afterwards. In any event no claim was pursued during the lifetime of the late Sultan, nor were proceedings at any time taken by him in the courts of Cyprus to recover the lands

9 In addition to, and without prejudice to, the particular considerations set forth in the preceding paragraphs, which, in the opinion of His Majesty's Government are fatal to the support of the claims by the Turkish Government, His Majesty's Government also consider that the claims themselves are in any event ill-founded Some of the reasons for this are given below

10 In M Okyar's notes it would appear that the claims are intended to be based generally on a particular interpretation of article 60 of the Treaty of Lausanne which his Excellency has been good enough to explain in some detail His Majesty's Government regret that they are unable to accept this interpretation

11 To make clear the arguments which follow I would invite your attention to the actual words of article 60 the relevant parts of which run as follows

> (1) Les Etats en faveur desquels un territoire a été ou est détaché de l'Empire ottoman soit à la suite des guerres balkaniques soit par le présent traité acquerront gratuitement tous biens et propriétés de l'Empire ottoman situés dans ce territoire
>
> (2) Il est entendu que les biens et propriétés dont les irades du 26 août 1324 (8 septembre 1908) du 20 avril 1325 (2 mai 1909) ont ordonné le transfert de la Liste civile à l'Etat ainsi que ceux qui au 30 octobre 1918 étaient administrés par la Liste civile au profit d'un service public sont compris parmi les biens et propriétés visés à l'alinéa précédent lesdits Etats étant subrogés à l'Empire ottoman en ce qui concerne ces biens et propriétés les wakoufs constitués sur ces biens devront être respectés.
>
> • • • • • •
>
> (4) Les dispositions du présent article ne modifieront pas la nature juridique des biens et propriétés inscrits au nom de la Liste civile ou administrés par elle et non visés aux alinéas (2) et (3) du présent article

12 It appears from M Okyar's explanations that the Turkish Government interpret the second paragraph of article 60 as conferring rights separate and distinct from those conferred by the first paragraph of that article A study of the article as a whole shows however that this paragraph does not do more than make it clear that any property to be retained by the trades mentioned in the first paragraph which was on the list of civil service property and liste civile as the Civil List for the benefit of a public service which, but for the trades, might be held to be property intended by paragraph (1) to pass to the succession States as ex-Sultan's private property re-evant words of paragraph (2) are sont compris parmi les biens et propriétés visés à l'alinéa précédent The combined effect of paragraphs (1) and (2) is

therefore that the property mentioned in paragraph (2) is deemed to be property which, under paragraph (1) passes, as being then "biens et propriétés de l'Empire ottoman," to the succession States.

13. It is also necessary to consider what "biens et propriétés" are included among those in respect of which the second paragraph lays it down that the succession States are to be "subrogés à l'Empire ottoman" The Turkish Government have, in the opinion of His Majesty's Government adopted an erroneous interpretation of the words "lesdits Etats étant subrogés à l'Empire ottoman en ce qui concerne ces biens et propriétés" Grammatically, the word "ces" can only refer to the "biens et propriétés" mentioned immediately previously That is to say, it refers to "les biens et propriétés visés à l'alinéa précédent" It is therefore in respect of the property and possessions mentioned in the first paragraph (amongst which those mentioned in the second paragraph are to be deemed to be included), that is to say, in respect of property and possessions of the Ottoman Empire situated in the succession States, that the succession States are "subrogés à l'Empire ottoman" These properties and possessions are to be acquired "gratuitement" by the succession States It must follow from this that the purpose of paragraph (2) is, as I have indicated to make quite clear the application of paragraph (1), to the particular properties and possessions to which it refers It only remains to add that the words "I'est entendu" at the beginning of paragraph (2) which are purely explanatory confirm this construction Thus the succession States are subrogated to the Ottoman Empire in respect of the whole of the property, including property which was transferred by the trades and property administered by the Civil List for the benefit of a public service

14 As to the meaning of the word "subrogés" His Majesty's Government contend that the word means that the successor States, in their capacity as owners, are subrogated to the former owners so that they must respect Wakfs already existing I need not enter into any argument as to paragraph (1) categorically lays down that the States shall acquire the properties "gratuitement" It cannot be maintained that paragraph (2) deprives the succession States of the ownership conferred by paragraph (1) in any matter whatsoever beyond the respect for Wakfs expressly stipulated for

15 M Okyar in his note advances the further argument that as the trades remained without effect His Majesty's Government being subrogated to the Turkish State must restore these properties on the ground that the Turkish State would have been bound to retransfer them to the heirs of the late Sultan I venture to point out that the second paragraph of article 60 does not purport to make the question of whether or not the property belonged to the Ottoman Empire dependent on the validity of the trades This second paragraph merely refers to the property "dont les irades ont ordonné le transfert" You will observe that the phrase is merely descriptive of certain property and the question of the validity or invalidity of the trades does not arise since the article makes it clear that the property falling under this description was to come within the ambit of the first paragraph of article 60

16 I have set out above what is in the opinion of His Majesty's Government, the true, and indeed the obvious, meaning of article 60 but I would further point out that the argument advanced in M Okyar's note of the 13th May is equally untenable when the validity of the trades is considered

17 The trades were valid Turkish decrees at the time when they were passed, and the property transferred by them was brought into the budgets subsequent to 1909 The Turkish Law No 431 of 1924 which recognised the effect of the trades must also be remembered Article 8 of this law provided that all the immovable property registered in the name of ex-Sultans was to become the property of the State Article 10 confirmed the fact that immovable Crown property previously transferred to the State was acquired by the State.

18 In this connexion I would draw your attention to the decision of the Anglo-Turkish Mixed Arbitral Tribunal which was given on the 16th December 1930 The Court in rejecting the claims of the heirs of these properties said

> Les droits qu'exerce aujourd'hui le Gouvernement britannique sur les biens ont leur source juridique dans un acte translatif accompli par l'Etat turc dans la plénitude de sa souveraineté et sanctionné par les dispositions de l'article 60 du Traité de Lausanne revêtant ainsi la légitimité qui appartient aux actes accomplis selon le droit des gens"

19. In view of the repeated recognition by successive Turkish Governments of the validity of the transfer to the State of the properties of the late Sultan Abdul Hamid, His Majesty's Government consider that all legal considerations apart, the support of these claims by the Turkish Government is misconceived. It is difficult to understand how the Turkish Government can logically press demands against a foreign State when corresponding demands in respect of Turkish territory have been excluded by Turkish legislation.

20. M. Okyar, in his note of the 27th April, alludes to the fact that the claimants on whose behalf the Turkish Government is acting are in a necessitous condition. I find some difficulty in understanding how this has come to be the case, since the properties held by the late Sultan in what is still Turkish territory must evidently have been of considerable value.

21. There remains one further point to which I desire to direct your attention. In M. Okyar's note of the 6th February, 1936, the statement was made that the Turkish Government was the heir of Mme. Fatima as she had died without leaving any legal heir. In my reply of the 7th May, 1936, I drew attention to the fact that this lady's property would have to be regarded as *bona vacantia*, passing to the Government or Governments of the various countries in which different parts of it might be situated at the time of her death. You are doubtless aware that in the recent case of Mme. Musurus before the English courts in which the Turkish Government addressed a similar claim, it was held that property outside Turkey passed as *bona vacantia* to the State within which it was situated on the failure of heirs to a person domiciled in Turkey.

I have, &c.
ANTHONY EDEN.

E 6146/23/44] No. 52

Mr. Morgan to Mr. Eden.—(Received September 29.)

(No. 144.)
(Telegraphic.) R. *Constantinople, September 29, 1936.*

YOUR unnumbered circular telegram of 28th September.

Turkish Government announced on 26th September that in the event of fresh variations in foreign exchange market, they would not devalorise Turkish pound in relation to those variations and would maintain gold value which Turkish pound had in practice acquired in relation to foreign currencies convertible into gold. Text of announcement has been forwarded in my despatch No. 499.

Turkish Government has now directed that exchange value of the Turkish currency shall be based on that of sterling instead of as hitherto on that of the franc, and that rate of exchange will be fixed daily. To-day's rate is as follows:—

Selling rate	620
Buying	623

There has, hitherto, been no general dislocation here as a result of recent developments.

[E 6177/2006/44] No. 53.

Mr. Morgan to Mr. Eden.—(Received October 1.)

(No. 478 E.)
Sir, *Istanbul, September 17, 1936.*

I HAVE the honour with reference to Sir P. Loraine's despatch No. 518 E of the 1st November 1934 transmitting a translation of Decree No. 2/1350 stipulating the conditions under which private enterprise might take part in the cotton textile industry in Turkey, to forward the accompanying translation (*) of Decree No. 2/5155 on the same subject which replaces the provisions of the former decree.

(*) Not printed.

2. In accordance with the present decree, the importation, by private enterprises, of cotton spinning and weaving machinery is prohibited, but auxiliary machinery utilised in dyeing, processing, &c., may be imported with the authorisation of the Ministry of Economy, subject to the stipulations of article 3 of the present decree.

3. I am sending a copy of this despatch to the Department of Overseas Trade.

I have, &c.
JAMES MORGAN.

E 6153/668/89] No. 54

Mr. Morgan to Mr. Eden.— Received October 1.

No. 489
Sir, *Istanbul, September 26, 1936.*

I HAVE the honour, with reference to my despatch No. 471 of the 12th September regarding the recently signed Franco-Syrian Agreements, to inform you that the whole local press is daily devoting a great deal of space to the future of Alexandretta and Antioch.

2. All the newspapers, while congratulating Syria on obtaining her independence remind her that France, in 1921, took an engagement to grant local autonomy to the Alexandretta region, and to recognise the right of the Turkish population there to special treatment. The signature of the recent agreement does not release either France or Syria from that engagement. If any change is to be made in the status of the Sanjak of Alexandretta, this can only be done by agreement between Turkey, France and Syria. Turkey which, dislikes the mandatory system will not view with any favour the attempt to substitute a Syrian mandate over Alexandretta and Antioch for a French one. Nor will Turkey be silent if Syria attempts to give the Turkish inhabitants of the sanjak "minority treatment." They are entitled, since 1921, to special treatment, and any whittling down of their rights would justify a demand on the part of the Turks of the sanjak for the intervention of the League of Nations or for the inclusion of the sanjak in the Turkish national boundaries, and its union to the motherland.

3. Indignation was worked up by the papers when a member of the Syrian delegation, which had halted for a time at Istanbul on its way from Paris to Syria, told reporters that Syria would give Alexandretta and Antioch the same treatment as France had given them. The newspapers pointed out that France had never kept her promises to Turkey about the Turks of the sanjak. Their life and culture had not been allowed to develop on Turkish lines. It was true that they had special schools, but these were staffed by Kurdish revolutionaries, Circassians, reactionary clerics and anachronistic supporters of obsolete alphabets. It was true also, that they had school books from Turkey, but the picture of Atatürk had been removed from them. Syria must therefore not give the Turks of the sanjak the treatment which France had given them, but the treatment which France had been under obligation to give them. The Turks of the sanjak were looking forward to full local autonomy. If they are disappointed in this, or even according to most of the newspapers if they are not disappointed in this, they will look forward eagerly to the return of the sanjak to Turkey, and Turkey, on her side, will not be indifferent to their yearnings nor unmindful of their rights.

4. I am sending copies of this despatch to His Majesty's Ambassador at Paris and to His Majesty's consul at Aleppo.

I have, &c.
JAMES MORGAN.

[E 6117/26/44] No. 55.

Mr Morgan to Mr Eden —(*Received September 29.*)

(No. 494)
Sir, *Istanbul September 25, 1936.*

IN his despatch No. 429 of the 12th August His Majesty's Ambassador had the honour to transmit to you the text of the new regulations to be applied in the Straits as from the 15th August. As foreseen in those regulations and reported in my telegram No. 140 of the 22nd September a notice of which a translation is enclosed was published in the *Official Gazette* of the 18th September defining the prohibited zones in the Bosphorus and Dardanelles areas.

2. This notice also reproduces in a better form the regulations regarding signaling stations for ships of war the procedure for reporting to those stations saluting batteries and air routes which includes provisions relating to visits to Troy and to access to the cemeteries for officials and visitors. It will be observed however that while the regulations published in August mention four new pilot stations the notice confines itself to mentioning the three existing stations at Çanakkale Istanbul and Tellitabya. An explanatory memorandum just received from the Ministry for Foreign Affairs explains however that the four new stations have not yet been established and that consequently the existing stations will continue to operate for the present.

3. As reported in my telegram No. 142 of the 24th September the memorandum also contains an exception that town and village areas such as those of Çanakkale and Gelibolu and inhabited islands situated within municipal boundaries are regarded as excluded from the prohibited zones, and that foreigners are permitted to reside there and practice their professions in conformity with existing legislation.

I have, &c.
JAMES MORGAN

Enclosure in No. 55.

Notice relating to the Inclusion of the Dardanelles and the Bosphorus in the Second Category of Prohibited Zones

(Translation.)

THE Council of Ministers, at a meeting on the 26th August, 1936, decided to declare the Dardanelles and Bosphorus, within the limits set forth below, to be prohibited zones of the second class, as defined in article 1 of Law No. 1110, and to apply the undermentioned only in regard to air and sea routes through the Straits.

Prohibited Straits Zone

1. *Dardanelles*

On the Asiatic side the zone lies west of a line which, starting from Karaburun, the limit of the former demilitarised zone, west of the town of Karabiga, follows the old border line of that zone and after Çeltiksirti 14 kilom. north west of Bayramic, passes east of Ezine and west of Ayvacik, and ends at Sivrice Burnu. (The line itself is included.)

On the European side the zone is south of a line which passes 5 kilom. west of Şarkoy, north of Evrege, south of Yenibas, west of Ibrice Burna, and extends to the Lake of Tuzla. (The line itself is included.)

The zone includes the islands of Marmara, Pasaliman, Ekinlik and Avşar, with the group of [?] islets near them, the islands of Bozca (Tenedos) and Imroz (Imbros), the small archipelago of Kuçuktavşan (Rabbit Islands) and the group of islands in the Gulf of Saros.

(The private landing stage of the quarantine stations attached to the Sanitary Organisation of the sea coast at Çanakkale and Gelibolu (Gallipoli), as well as the road leading to these stations, are exempt.)

2. *Bosphorus*

Anatolian Zone.—The zone is west of a line which leaves the shore north of Servi Burna, that is to say, immediately north of the petrol tanks, and passes north of Karakuluk through Alibahadir Koyu to Karaburun (both of which are included).

European Zone. The line leaves the shore immediately north of Yeni Mahalle and passes through Zekeriya Koyu to Kisirkaya (the line itself is included).

(At Anadolu Kavak, the private landing stage of the quarantine station attached to the Sanitary Organisation of the coast, at Manastir Agzi, as well as the road, is exempt.)

Traffic Rules

Passage through the Straits.

(*a*) The signal stations for foreign warships are:—

(1) *Dardanelles*: The signaling station of Seddulbahir.
(2) *Black Sea*: The Bosphorus signaling station.

(*b*) Vessels within 50 miles from these stations must report to them and, when within visible distance, must indicate their names.

(*c*) Batteries will be established for the exchange of salutes at Çimenlik, in the Dardanelles, and at Arnaoutkavak, on the Bosphorus.

Pilot Stations

1. Pilot stations are at Çanakkale for the Dardanelles and Tellitabya, and Istanbul for the Bosphorus.

2. The air routes are the lines Mudros-Enos and Enos-Eregli on the Marmara) Mudros.

3. For the purposes of protage which by the provisions of the Straits Convention is optional in time of peace and compulsory in times of war or menace of war the present pilot stations (Çanakkale, Istanbul and Tellitabya) will continue to function.

4. Visits to the ruins of Troy may be made by the route Çanakkale Sariyal Troy. The journey must be made in the daytime and by this route only.

5. Access to the cemeteries for officials and visitors, whether singly or in groups, can be had by the same roads and landing stages as in the past, namely, for the cemeteries of Seddulbahir the landing-stage of Seddulbahir, for those of Anafarta and Arburnu the landing-stage of Kilya, and for Gallipoli the landing-stage of Gallipoli together with the roads leading from these landing stages to the cemeteries.

[E 6188/28/44] No. 56.

Mr. Morgan to Mr Eden.—(*Received October 1.*)

(No. 497 E.)
Sir, *Istanbul, September 26, 1936.*

I HAVE the honour, with reference to my despatch No. 435 E. of the 15th September, 1934, to transmit to you the accompanying translation of Decree No. 2/5204 of the 18th August(1) which modifies article 4 of the "List of Occasions of Need of Foreign Currency" ("Liste des Besoins de Change"), annexed to Decree No. 11 on the safeguarding of Turkish currency, a translation of which was forwarded in my despatch under reference.

2. The present decree effects a fundamental modification in the existing exchange regulations in so far as they concern insurance and reinsurance companies. Insurance companies have been hitherto to remit the amount of premiums to their head offices abroad subject to deduction of sums in respect of policies falling due to persons in Turkey. By virtue of the new decree all premiums due to reinsurance companies (and in fact, nearly all risks are heavily

(1) Not printed.

reinsured) must be invested in Turkey, and only the revenue on such investments may be remitted in foreign exchange.

3. There are at present only two British insurance companies operating in Turkey—the British Oak and the Cornhill. The representatives of both companies were invited by the Commercial Secretary to furnish their observations on the new decree, and a copy of a letter from the representative of the British Oak Company is enclosed.[1] Mr. La Fontaine anticipates, as will be seen, that the decree may possibly lead to the withdrawal of foreign insurance companies. On the other hand, Mr. Edwards, the representative of the Cornhill Company, points out that similar legislation has been enacted in Yugoslavia and Bulgaria, and that the foreign companies in those countries are nevertheless continuing to function. Both gentlemen agree that anything in the nature of isolated representations to the Turkish Government would be ineffective and inopportune. So far as any form of joint action is concerned, Mr. Edwards informs me that the Committee of Insurers have decided to take no action pending the publication of the rules which are to govern the execution of the decree.

4. I am sending a copy of this despatch to the Department of Overseas Trade.

I have, &c.
JAMES MORGAN

(1) Not printed.

E 6231/6260/44] No. 57

British Delegation, Geneva, to Sir R. Vansittart. (*Received October 2.*)

(No. 141. L.N.)
(Telegraphic) *Geneva, October 1, 1936.*

FOLLOWING from Secretary of State.

"M. Aras asked to see me this evening, when he stated that he had a matter of considerable importance to him about which he wished to ask for my advice.

"The Soviet Government had lately been showing some dissatisfaction towards their Turkish friends. It was not that their relations had ceased to be correct and even close, but that the Soviets seemed to wish to thrust upon the Turks an excess of friendliness. In these conditions M. Aras had been seriously considering whether there was any action he could take which would give the Soviet some measure of satisfaction. He now had the following proposal in mind —

"The agreement reached at Montreux allowed no belligerent ship to pass the Straits. What M. Aras was now considering was entering into an engagement not to allow the warship of an aggressor Power to pass through the Straits against Soviet Russia. This he maintained was, in fact, somewhat less than the actual terms of Montreux Agreement.

'I asked M. Aras what would be his definition of an aggressor Power. We had ourselves never been able to find a satisfactory definition of aggressor. M. Aras wished as between himself and Soviet Government they would be bound by the terms of the London definition. I reminded M. Aras that we had never been parties to that instrument. He agreed, but maintained that it was in all the circumstances inconceivable that an aggressor should not be a belligerent.

"The Turkish Minister for Foreign Affairs went on to explain that in return for this undertaking the Soviet Government were willing to place their Black Sea Fleet and certain air forces at disposal of Turkey in the event of any attack being made against Turkey in the Mediterranean.

"I asked M. Aras if he could tell me why he thought that the Soviet Government were prepared to give such an undertaking in return for what in the view of Turkish Minister for Foreign Affairs was a somewhat illusory concession. M. Aras replied that the Soviet Government seemed to be obsessed by their fear of Germany and Japan and to be in a perpetual state of anxiety lest Turkish Government should be drawn into orbit of one or other. They had no similar sentiments towards Turkish Government's friendship with His Majesty's Government—so at least they had many times assured M. Aras. He felt that the Soviet Government probably wished for this arrangement in order to try and tie Turkish Government more closely to them in an endeavour to prevent them from entering into any engagements against Soviets.

"I thanked M. Aras for giving me this information, but said that it was clear that his proposal would require careful consideration not only from point of view of Locarno, but also from that of international situation as a whole. How, for instance, would Germany and Italy regard this proposal? M. Aras replied that he fully appreciated this aspect of the question and that was why he had come to ask my advice. He would be most grateful if I could let him have it in the course of the next few days and if Lord Cranborne could speak to him should I already have left Geneva. He was in no hurry, of course, to conclude such an arrangement as he had mentioned to me, but he wished if he could to make a start.

'On first impression I see some cause for uneasiness should this proposal materialise. Moreover, if it should subsequently become known that we had consented in advance, as it probably would, effect upon Italy, and possibly Germany also, might be most unfortunate.'

(Repeated to Istanbul.)

[E 6175/6175/44] No. 58

Mr. Eden to Mr. Morgan (Constantinople).

(No. 98.)
(Telegraphic.) *Foreign Office, October 6, 1936.*

IMPERIAL War Graves Commission are anxious that discussions should be opened with Turkish Government on a suggestion that an Anglo-Turkish War Graves Committee should be set up. This would correspond broadly to Anglo-Franco-German Committee set up by agreement with Germany on 20th December 1935 (*Treaty Series* 1936, No. 2), and would be based on principle of reciprocity by which each country would have power to maintain in its own way the war graves of its nationals situated in the other's territory. Committee would act as agency of Imperial War Graves Commission in Turkish territory, but in view of Turkish reluctance officially to recognise Imperial War Graves Commission, latter suggest that basis for proposed committee should be as informal as possible.

2. Proposal is still indefinite, and it is not clear how far institution of committee would affect present organisation of commission's work in Turkey or whether it would entail Turkish Government giving greater measure of official recognition than hitherto to commission's representative.

3. Chairman of commission, Sir Fabian Ware, is soon going on tour of inspection in Near East and commission suggest that he should take opportunity to go to Constantinople to discuss proposal with you and with Turkish authorities.

4. Suggestion for Anglo-Turkish Committee was tentatively put forward at Montreux in discussion with M. Noman who, however, showed little interest in it and gave Mr. Rendel impression that he suspected it of being intended to secure Turkish recognition of Imperial War Graves Commission by circuitous means. On the other hand there would be obvious advantages in setting up a joint committee, and commission feel that present moment, when Anglo-Turkish relations are particularly cordial may afford exceptionally favourable opportunity to put proposal forward.

5. Please telegraph your observations on (*a*) probable reaction of Turkish Government to any proposal of this kind, and (*b*) suggestion that Sir Fabian Ware should visit Constantinople in near future to discuss matter.

[E 6395/6173/44] No. 59

Mr Morgan to Mr Eden —(*Received October 8*)

(No 149)
(Telegraphic) *Constantinople, October 8, 1936.*

YOUR telegram No. 98.

I am of opinion that even in present cordial state of Anglo-Turkish relations, Turkish Government will show no interest in proposal to set up an Anglo-Turkish War Graves Commission.

Therefore, in my view, visit from Sir F Ware to Turkey will not lead to any useful results.

[E 6440/6280/44] No. 60

Mr W I Mallet to Mr Eden (*Received October 12*)

(No 125.) *British Legation to the Holy See*
Sir *Rome, October 9, 1936*

THE *Osservatore Romano* published on the 1st October a leading article on the effect of the Montreux Treaty on Russian policy in the Mediterranean which is of some interest as it suggests that the best friendship between Great Britain and Turkey would be to bring Russia into the Mediterranean.

2 After sketching the recent growth of Russian influence and prestige over the Sultan and later as a result of the war, the writer points out that the effect of the Montreux Conference has been to give Turkey the right to pass from the Black Sea into the Mediterranean. He then points out that Turkey's gain was also Russia's gain. The importance of this lay in the fact that with Nazi Germany openly watching the Baltic with Poland defending the Dardanelles, Europe could with Italy Germany and Yugoslavia occupy the Danube basin, the only remaining outlet for Russian interests towards the west was through the straits. It was by this route that Soviet arms went to the Spanish Reds and by this route that communism was able to percolate to Greece, Palestine and North Africa. But this route would remain open always so long as Russia and Turkey were friends. Russo-Turkish friendship was, in fact, the keystone of Russian expansionism in the Mediterranean. It was impossible to tell how this policy of expansion would develop, but it was clear that its objects were not the same as those which His Majesty's Government had in view in seeking to strengthen their friendship with the Turkish Government.

I have, &c.
W I MALLET

[E 6519/6519/44] No. 61

Mr. Morgan to Mr Eden (*Received October 15.*)

(No 517.)
Sir, *Istanbul, October 10, 1936*

I HAVE the honour to invite a reference to paragraph 4 of my despatch No. 480 of the 10th October 1934, in which I described the attitude of the Turks as it then was towards foreign schools in Turkey, and their desire to see them closing their doors.

2. In the course of the last two years, the press has reported the closing of some twenty foreign schools. The majority of these were French. The most recent notices announce the closing down of one Bulgarian and two Italian schools, on account of lack of pupils.

3. It may, perhaps, be of interest to add that in 1935 it was stated in the press that there were still approximately 100 minority or foreign schools in Istanbul itself, the majority of which were Greek and Armenian.

I have, &c.
JAMES MORGAN

[E 6499/6280/44] No 62.

Mr Eden to Mr Morgan (Angora)

(No. 517) *Foreign Office, October 15, 1936.*
Sir,

THE Turkish Minister for Foreign Affairs having intimated to Lord Cranborne at Geneva that he would be grateful if the views of His Majesty's Government on the proposals which he had put forward to me on the 1st October (see Geneva telegram No 141, L N of the 2nd October to the Foreign Office) could be communicated to the Turkish Government through the Turkish Ambassador in London, his Excellency was asked to call on the 14th October, and the position was explained to him by Mr Rendel on the following lines:

2 M Okyar was first given a brief summary of M Aras's proposals (at which he showed some surprise) as recorded in paragraphs 2, 3 and 5 of Geneva telegram No 141 referred to above. It was explained to him that I had hoped to be able to reply to M Aras before leaving Geneva but that owing to the necessity of consulting various Departments at home it had not been possible for the necessary material to be sent to Geneva in time. But Lord Cranborne had on the 10th October briefly indicated to M Aras the provisional views of His Majesty's Government on this question.

3 Mr Rendel then explained that it seemed to His Majesty's Government that M Aras's proposal to provide at the pleasure of certain warships through the Straits in certain circumstances must be one of two things: either it was already fully covered by the provisions of the Montreux Convention in which case it amounted to nothing new, and it was very difficult to see what advantage the Russians would gain by it to lead them to give any material advantage to Turkey or it was intended to add something to the Montreux Convention either by way of placing a different interpretation on it or to increase in some way or other its scope e.g. as providing for the prohibition of the passage of warships which were not yet belligerent but which were suspected of intending hostilities against Russia, in which case it would mean a fresh case of abrogation from the Montreux Convention which has only recently been carried out without considerable difficulty and this would only lead to every sort of complication with the other signatory Powers and would clearly be open to the gravest objections. M Okyar said he entirely agreed with these views, which he described as self evident, and indeed he expressed himself unexpectedly frankly on the subject.

4 As for the second part of M Aras's proposal for the proposed Russian guarantee to Turkey, Mr Rendel told M Okyar that since M Aras had asked for the opinion of His Majesty's Government their view was that such an understanding would be extremely dangerous and open to grave political objections. It would amount, in fact, to something very like a Russo-Turkish alliance or at any rate to so close an association between the two countries as to tie Turkey very tightly to Russia. Turkey had hitherto maintained a position of complete political independence which had won her general respect and made her an element of stability and peace in the Eastern Mediterranean and in European affairs. If she were now to involve herself in the proposed close association with Russia she would virtually be joining one of the political groups the division of Europe into which was at present one of the greatest dangers to world peace. She would be sacrificing much of her present independence and might easily find herself becoming a satellite of Russia. Moreover by bringing the Soviet Union, as a guarantor of her Mediterranean coasts into Mediterranean politics, she would be adding to the complications of the Mediterranean situation and increasing the very dangers against which she seemed so anxious to guard.

5 The Ambassador warmly agreed with all Mr Rendel had said. He seemed distinctly embarrassed by M Aras's proposal of which he seemed to have a poor opinion. He explained however that the Turkish Government had ever since the time of the Montreux Conference been having considerable difficulty with the Soviet Government and with M Litvinoff in particular. M Litvinoff's attitude at Montreux as Mr Rendel very clearly observed had been obstructive, and he had provoking entirely without the Turkish delegation. It seemed that the Russians were also annoyed that the Turks had not accepted a proposal that they should supply at least part of the material required for the fortification of the Straits. Meanwhile, certain elements in the Turkish Government and

M Aras in particular, were still inclined to be obsessed by the fear of Italy M Oksyar himself thought this fear greatly exaggerated (for reasons which h developed in some detail), but he thought that the attitude of the Russians and the fear of Italy combined had no doubt led M Aras to put forward his present suggestions. He seemed to doubt however, whether they would be endorsed by the Turkish Government.

6 M Oksyar said that he was nevertheless, most grateful for the advice which had been given him He described it as the counsel of a friend given in Turkey s own interest He undertook to pass it on immediately to his Government and try to make the position as clear as possible to them

I am, &c.
ANTHONY EDEN

[E 6618 5280 44] No 63

Mr Eden to Mr Morgan (Constantinople)

(No 142)
(Telegraphic) *Foreign Office, October 21 1936*

MY despatch No 517 of 15th October Turco Soviet relations

I should welcome your opinion (1) whether Turkish Minister for Foreign Affairs proposal for Turco Soviet understanding see Geneva telegram No 141 of 1st October) was made at instigation of Turkish Government and if so (2) whether Turkish Government through fear of Italy or other causes appear to be feeling increasingly under Soviet domination or (3) whether above mentioned proposal was mere trial wave of Turkish Minister for Foreign Affairs acting under personal influence of M Litvinov

I realise you may find it difficult to answer these questions without raising matter with Turkish Government but this I should deprecate

Please telegraph your observations.

[A 8360, 4 45] No 64

Mr Eden to Sir E. Phipps (Berlin)

(No 1170)
Sir, *Foreign Office, October 22, 1936*

PRINCE von BISMARCK accompanied by Rear-Admiral Wassner, called at the Foreign Office on the 12th October to communicate the reply of the German Government to His Majesty s Government's memorandum of the 22nd July, a copy of which was forwarded to you in my despatch No 869 of the 25th July regarding the conclusion of an Anglo German Naval Agreement In communicating this document a copy of which is enclosed herein Prince von Bismarck stated that his Government had been disagreeably impressed by the extent of the Soviet demands and felt that the naval position of Germany was becoming more and more difficult For that reason the German Government felt it necessary to make a number of counter reservations

2 Prince von Bismarck was informed that this news would be viewed with concern by His Majesty's Government who having regard to the Soviet Government's capacity to make trouble in the naval sphere if they so desired had felt that they had been fortunate in limiting the scope of the Soviet demands He replied that possibly the German Government would have been able to take the same view if it had not been for the existence of the Franco Soviet Pact, which had really modified the whole situation and had caused the German Government to regard their naval problems with much greater concern than would otherwise have been the case

3 In reply to enquiries as to the next step, Prince von Bismarck was informed that after the German memorandum had been examined the most satisfactory course would be to proceed by way of verbal discussions He was inclined to agree.

I am, &c
ANTHONY EDEN

Enclosure in No. 64

German Government's Reply to the Memorandum from His Majesty's Government of July 22, 1936

(Translation)

THE German Government have taken note of the following memoranda of His Majesty's Government and have examined them in detail. –

Summary of the results of the Anglo Soviet naval discussions of the 29th July 1936.
British memorandum of the 22nd July 1936 with documents A, B and C

The information which His Britannic Majesty s Government have communicated to the German Government relating to certain building intentions of the U S S R. have evoked acute apprehensions on the part of the German Government It must give rise to the gravest fears regarding the national safety of Germany The German Government hope that His Britannic Majesty's Government will make every endeavour to induce the U S S R to renounce their far reaching demands, which, moreover are not in accordance with the provisions of the London Treaty of 1936 The German Government are of the opinion that, should this building plan of the U S S R. be carried out the result will be a violent and menacing disturbance of the naval equilibrium which would compel the German Government to consider the possibilities contemplated in regard to such cases.

The German Government are sincerely desirous of continuing to make a positive contribution to the pacification of Europe in that they are prepared to enter into bilateral *qualitative* agreement even in the particularly unfavourable naval situation in which Germany is placed by reason of the course of action intended by the U S S R They must however make their participation dependent upon the acceptance of the reservations proposed in section I *g*), Nos 1 4 which are requisite for ensuring the threatened national security

I *Influence of the Anglo Soviet Naval Agreement on Germany's Naval Situation*

The Soviet Union fleet in the Far East an integral part of the Soviet navy - has not been placed under any qualitative obligation The German Government have repeatedly stated that an engagement of the same nature applying to the U S S R is a preliminary condition for the conclusion of a qualitative agreement with His Britannic Majesty's Government on the basis of the London Treaty of 1936 This similarity of obligation is traversed by the U S S R s reservations. If the Anglo Soviet Naval Agreement is concluded in the form of the existing draft the German naval situation will deteriorate to a considerable extent.

(a) *Concentration of the Several Portions of the Soviet Fleet in European Waters*

A close connexion exists between the several parts of the Soviet fleet It must be regarded as one single whole Moreover, the German Government regret that, after the conclusion of the Franco Soviet military alliance, they must also regard the French and Soviet navies as one unit in the event of war

The Soviet Union can at any time concentrate the various parts of their fleet The Far Eastern fleet, or parts thereof, can be detached to European waters without special difficulties in times of political tension This transfer is the more easy to effect when, in virtue of the Franco Soviet military alliance, the French bases in Indo China, the Red Sea and the Mediterranean are available to the Soviet fleet The provisions dealing with the exchange of information in relation to " vessels which are *transferred* from the Far Eastern fleet to the European fleet prove that a *transfer* of parts of the Far Eastern fleet is contemplated by the Soviet Union as well

Moreover consequent on the fortification of the Dardanelles the Black Sea fleet is no longer confined to the Black Sea in view of the Turkish Soviet pact of friendship of 1925 and the Franco Soviet military alliance. Hitherto it has been needed in the Black Sea for the protection of Soviet interests and to guard

the coast. *Now* Turkey can close the Dardanelles for the benefit of the Soviet Union. In that case the Black Sea fleet is free and can be moved to other localities in the Soviet Union without any military disadvantages necessarily arising in the Black Sea.

The new transit provisions also tend in the same direction in the event of war—viz. they signify a closing of the Dardanelles to non-riparian States.

It is also to be counted on that parts of the Soviet Far Eastern or Black Sea fleet will be placed at the disposal of France in the Mediterranean, so that French forces in corresponding strength are set free for the northern theatre of war.

His Britannic Majesty's Government could with equal right and on the same grounds as the U.S.S.R. exclude from qualitative limitation their naval forces in the Far East. They have, however, regarded the safety clauses as sufficient to meet a threat to their national security.

The German Government are unable to admit that this solution for the safeguarding of national security, which satisfies all the other contracting parties is insufficient for the U.S.S.R. and they must therefore draw the corresponding conclusions.

(b) *New Constructions for the Far Eastern Fleet*

The shipyards of the U.S.S.R. in the Far East only permit the construction of smaller craft. Fighting units for the Far East will consequently be built mainly in the Soviet Union's dockyards in the Baltic Sea or in other European waters. The ships are therefore in European waters until they are finally taken over and all their trial voyages are completed. The trial voyages can be derived at will so that the Soviet Union has the possibility of retaining in European waters for a considerable time but especially when the situation is politically uncertain vessels which are constructed for the Far East.

(c) *Equipment of the U.S.S.R. at Sea*

With a short period and with an enormous outlay in staff and material the Soviet Union have built up their army and air arm. The building up of the Soviet fleet has been taken in hand with a tremendous utilisation of labour. In the course of the negotiations His Britannic Majesty's Government have several times stated that the building up of the Soviet fleet would not proceed particularly fast. According to the view of the German Government this opinion is not well-founded. The efforts of the U.S.S.R. to improve their naval armaments have achieved considerable success in a short time. Thus for example, the Soviet Union already possess 120 submarines ready for action and a number of further submarines are under construction. Similar results must be expected as regards the construction of other classes of vessels. According to reliable reports warships are being built for the U.S.S.R. not only in dockyards of the Union but also in those of other European countries.

In this connexion it may be pointed out that according to the reservation in section I of the summary of the results of the Anglo-Soviet naval discussions the U.S.S.R. have even the right to construct in Europe (Baltic dockyards) for the Far East any type of vessel *without* qualitative restrictions.

(d) *Armament of Soviet Union Battleships*

In virtue of the Franco-Soviet military alliance, Germany must in the event of war count upon the U.S.S.R. *and* France being her opponents. Consequently Germany, on the basis of the building intentions of France and the U.S.S.R. which have so far become known must reckon in future with at least four modern French battleships and an undetermined number of modern Soviet battleships of which two are armed with 15-inch or 16-inch guns. The German Government would regard it as an unjustified limitation of, in addition to the quantitative restriction there should also apply a restriction in regard to the armament of German battleships. Should the U.S.S.R. obtain the right to arm their new battleships about to be built with guns of higher calibre than 14 inches Germany must declare corresponding conclusions in respect of the armament of her battleships.

If all the signatories of the Washington Treaty of 1922 accede to the provisions of article 4 (2) of the London Agreement of 1936 and the said provisions thereby acquire validity the German Government must insist on a

reduction of the armaments of the Soviet Union's battleships from 16-inch to 15-inch guns, if there is no success in inducing the U.S.S.R. to accept a calibre of 14 inches.

(e) *Building Holiday for "A" Cruisers*

In accordance with article 16 of the London Treaty of 1930 and article I B (3) of the London Treaty of 1936 cruisers with 7·1-inch guns, of whatever size, are "A" cruisers or light surface vessels of sub-category (*a*).

In their note of the 9th June 1936, the German Government have already declared themselves ready in the event of France and the U.S.S.R. building no further "A" cruisers before the new treaty comes into force to forgo the construction of the fourth and fifth "A" cruisers to which Germany is still entitled under the Anglo-German Naval Agreement of the 18th June 1935. His Britannic Majesty's Government themselves proposed this reservation in the course of the negotiations and admitted it when the German note of the 9th June 1936 was handed in.

The U.S.S.R. at present have "A" cruisers under construction, and intend even after the commencement of the building holiday for "A" cruisers to complete the for other countries to build further "A" cruisers. According to section IV of the second part of the Anglo-Soviet naval discussions regarding the construction of "A" cruisers after the London Treaty of 1936 comes into force exemption is thus to be granted in favour of the Soviet Union. Although the signatories of the London Treaty of 1936 (Great Britain and Northern Ireland, France and the U.S.S.R.) declare their readiness to consent to [illegible] Germany cannot subject recognition of this exception as justified. Germany is further unable to admit that the attitude of the Soviet Union on the 7·1-inch guns is a convincing reason for the Soviet attitude because 6-inch guns were formerly installed in the Russian ships to a considerable extent both on battleships and cruisers.

The German Government hope that His Britannic Majesty's Government will not succeed in inducing the U.S.S.R. to accept without reservations the building holiday for "A" cruisers. Should however the Soviet reservation be maintained the German Government to their regret would find themselves compelled to draw the necessary inferences.

(f) *Article 19 of the London Treaty*

In the narrow waters of the Baltic Sea small warships play especially important rôle in naval warfare. The auxiliary vessels of the Soviet Union are just as important for supporting movements and the transport of troops in European waters.

By exempting the Soviet Union from the exchange of information regarding these vessels the possibility arises that in these two categories of vessels a completely uncontrolled strengthening of the naval armaments and the war potentialities of the U.S.S.R. at sea may take place.

In this connexion attention is drawn to the important part which for example Soviet troopships and tankers play in French military plans. The German Government cannot admit the soundness of the exceptions granted to the Soviet Union. Should the latter insist on them Germany must likewise be exempted from the exchange of information in regard to these classes of vessels.

(g) *Reservations*

As above stated there arises on account of the Soviet Government's attitude a number of new factors which the German Government must take into consideration in view of their threatened national security by making reservations in case the U.S.S.R. should insist on their demands.

Proposal for the Text of the Reservations

1. *Reservations in Consequence of the Soviet Far Eastern Fleet not being subject to Restriction*

(*a*) His Britannic Majesty's Government undertake that as soon as the Soviet Government have notified that they are departing from the treaty provisions and are resuming their full liberty of action, they will immediately acquaint the German Government with that fact.

(*bb*) The German Government shall then receive the right to depart from the quantitative provisions of the treaty in respect of the vessels at that time under construction and thereafter to be laid down

(*cc*) In that case Germany as also the U.S.S.R. will be relieved of the procedure of consultation and the three months' prior notification under article 25 of the London Treaty of 1936.

(*dd*) The exchange of information with His Britannic Majesty's Government will not be affected thereby

2. *Reservation in Consequence of the Armament of the Soviet Union's Battleships yet to be constructed with a larger Calibre of Gun than is contemplated by Treaty*

Should the Soviet Government receive the right (contrary to the provisions of the London Treaty of 1930, article 4 (2)), to arm two battleships with a gun calibre in excess of 14 inches, Germany shall claim the right to arm the battleships to which she is entitled by treaty with a calibre of gun in excess of 14 inches even after the entry into operation of the above-mentioned provision of the London Treaty of 1936. In so doing the German Government will limit themselves to a maximum calibre of 15 inches.

3. *Reservation in Consequence of the Non-Observance by the U.S.S.R. of the Building Holiday for "A" cruisers*

The German Government shall recover their freedom of action in regard to the construction of "A" cruisers even after the entry into force of the new naval agreement.

As soon as they deem it necessary to make use of their liberty of action, they will inform His Britannic Majesty's Government of that fact.

4. *Reservation in Consequence of the Non-Application of Article 19 of the London Treaty of 1936 by the Soviet Union*

So long as the Soviet Government do not make the notification contemplated in article 19 of the London Treaty in respect of minor war vessels and auxiliary vessels, the German Government also will supply no information in this connexion and will not request the same from His Britannic Majesty's Government.

From the moment when the U.S.S.R. apply the provisions of article 19, the German Government will also proceed correspondingly.

II.—*Observations on the British Memorandum of July 22, 1936*

(a) *Paragraphs* 2, 3.

In paragraph (1) of their memorandum of the 4th May, 1936, the German Government expressed the view that the provisions of the qualitative agreement should only be valid in respect of those ships and smaller vessels laid down after its entry into force.

They agree to the clause proposed by His Britannic Majesty's Government (document C, article 30) regarding the entry into force of the agreement if the clause is supplemented in accordance with the above observation.

If His Britannic Majesty's Government do not consider it appropriate to complete article 30 in this sense, the German Government agree to a corresponding item being inserted in the final protocol.

(b) *Paragraphs* 4–5.

They agree to the proposed recast formula respecting the age of capital ships.

(c) *Paragraph* 6.

They are in agreement with paragraph 8 of the British memorandum of the 13th May, 1936, respecting the maintenance of building possibilities in the quantitative sphere as they existed at the time of the conclusion of the Anglo-German Naval Agreement of the 18th June, 1935.

(d) *Paragraphs* 7–11.

It is a matter of importance to the German Government that the provisions of 2 (*c*) of the Anglo-German Naval Agreement of the 18th June, 1935, should not be affected by article 26 of the London Naval Treaty. His Britannic Majesty's Government's statement in paragraph 11 of their memorandum of the 22nd July, 1936, is regarded as an adequate assurance to this effect, and special mention in the final protocol is therefore waived.

It is observed in regard to the concluding sentence of paragraph 11 of the British memorandum that, so long as the new qualitative agreement possesses the character of a bilateral agreement between Great Britain and Germany, the question of exchange of information only arises as between these two countries.

(e) *Paragraph* 12.

In making their proposal for a communication of the British tonnage figure over lengthy periods of time, the German Government had mainly in mind tonnage in excess of replacement tonnage which would thereby render possible in addition to the German navy by way of fresh construction. They agree to His Britannic Majesty's Government's proposal whereby they will be confidentially informed from 1942 onwards at least two years in advance of the estimated British tonnage figure. They further note that His Britannic Majesty's Government will give as much advance notice as possible should there be any modification in a part cular forecast during the period for which it has been given.

As the arrangement respecting the communication of British tonnage refers exclusively to the Anglo-German Naval Agreement of the 18th June, 1935, it is proposed that this item shall not be inserted in the final protocol, but in the additional protocol to this agreement (document A).

On the other hand the arrangement in paragraph 13 of the British memorandum of the 22nd July, 1936, which refers exclusively to the qualitative agreement should be included in the final protocol, as proposed by His Britannic Majesty's Government.

(f) *Paragraph* 13.

The German Government agree to the proposed arrangement, whereby His Britannic Majesty's Government declare their readiness, in the event of the naval construction figures contained in any annual programme of the United Kingdom being of a character to upset the long-term forecast of naval strength on which the German Government are working, to communicate their intentions confidentially to Germany in sufficient time to enable the latter to make the necessary adjustments before the communication of the German annual programme.

(g) *Paragraph* 14.

The German Government agree to His Britannic Majesty's Government's proposal whereby document A constitutes the additional protocol to the Anglo-German Naval Agreement of the 18th June, 1935, and contains the points specified in the draft of document A and in paragraphs 5 and 6 of the British memorandum of the 22nd July, 1936. The necessary stipulations and reservations regarding the qualitative agreement will be dealt with in a protocol on the conclusion of the negotiations.

(h) *Paragraph* 15.

The German Government await an invitation to sign a protocol to that effect.

(i) *Paragraph* 16.

Reference is made to the remarks under sections I (*c*) and I (*d*) 3 of the present German memorandum.

(k) *Paragraphs* 17 *and* 18.

The German Government agree to His Britannic Majesty's Government's proposal that the agreement to be concluded should take the form of an inter-governmental agreement.

III — *Attitude to Document A*

Additional Protocol to the Anglo German Naval Agreement of June 18, 1935

They agree to the wording of document A It is necessary to supplement it by the under-mentioned point in accordance with His Britannic Majesty's Government's proposals

(1, Formula regarding the age of capital ships (paragraph 3 of the British memorandum of the 22nd July, 1936)

(2) Maintenance of quantitative construction possibilities (paragraph 8 of the British memorandum of the 13th May 1936, and paragraph 6 of the British memorandum of the 22nd July 1936)

(3) Arrangement regarding the communication of the estimated British Empire figures from 1942 onwards (paragraph 12 of the British memorandum of the 22nd July 1936)

IV *Attitude to Document B*

Nor observations in regard to No II (*b*) Agreed in regards 1, 2, 3 and 4

V *Attitude to Document C*

Draft Additional Protocol to Treaty

Reference is made to the observations under II (*a*) of the present German memorandum (see also VI (*a*))

VI *Proposal in regard to the Final Protocol in accordance with Paragraph 18 of the British Memorandum of July 22 1936.*

For the reasons German proposes that the following points be included in the Protocol

(*a*) Validity of the agreement in respect of all vessels and craft and down after its coming into operation, except document C (article 30) not to be completed at that time

(*b*) Willingness of the British Government to communicate modifications which affect the annual German programme in sufficient time to enable them still to be taken into consideration British memorandum of the 22nd July, 1936, paragraph 13)

(*c*) Reservations in consequence of the non limitation of the Soviet Far Eastern fleet as contained in section I (*g*, 1, sub paragraphs (*aa*) (*dd*). of the present German memorandum

(*d*) Reservation regarding capital ship gun calibres in consequence of the armament of Soviet capital ships yet to be constructed with calibres in excess of 14 inch calibre Present German memorial section I (*g*) 2

(*e*) Reservation regarding the construction of 'A' cruisers on account of the non observance of the building holiday by the U S S R Present German memorandum, section I (*g*) 3

(*f*) Reservation regarding the application of article 19 on account of the Soviet Government's proceedings Present German memorandum, section I (*g*) 4

Berlin, October 5, 1936

[E 6712 8280 44] No 65

Mr Morgan to Mr Eden (Received October 25)

(No 174) *Angora, October 25, 1936*
(Telegraphic)

YOUR despatch No 517 and your telegram No 142

Secretary General Ministry for Foreign Affairs read to me yesterday draft of telegram which is to be sent to Turkish Ambassador in London to inform him that Turkish Government had decided on the part of Ambassador's report to reject what Secretary General described as the Soviet proposition

In the ensuing conversation, Secretary General told me that rejection would not be brusque and entirely unappetising, as it was important to give Russia a soft answer, firstly, because Turkey wished to do nothing that might cool friendship with Russia which was the corner stone of Turkish policy, and, secondly, because a flat refusal of Soviet officially might bring about an understanding between Russia and Italy Such an understanding would not frighten Turkish Government which had confidence in its force, but it might alarm and excite Turkish people

The reply of the Turkish Government promised promptly therefore, to be to the effect that in order to dissipate a certain vagueness in article 19 of Montreux Convention Turkey will let it be known that she will not allow any aggressor to cross her territory from any quarter by sea land or air

In adopting this attitude Turkey would inform Russia that Turkey did not expect nor did this attitude call for any concession from Russia in return Turkey would thus remain free and would not have aligned herself with any group in the present European imbroglio Secretary General said that if it had not been for existence of Anglo Turkish friendship and of advice of His Majesty's Government Turkey might not have been able to give their intended reply to Russia and might have found it difficult to avoid accepting Russian proposal

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[E 6712 8280 44] No 66

Mr Eden to Mr Morgan (Angora)

(No 143) *Foreign Office, October 28, 1936.*
(Telegraphic)

YOUR telegram No 150 of 25th October Pro Soviet declarations

Reply prepared by Turkish Government appears to objections no less serious than those urged against their original proposal

2 Turkey is proposing to undertake to do something which they are already, under Montreux Convention, either obliged to do or precluded from doing If they are only proposing to proclaim their passage of an aggressor belligerent fleet, position is perfectly clear under article 19 of the convention which prohibits passage of *all* belligerent warships, unless they are acting, either in virtue of the Covenant or case in support of a State which is a victim of aggression, in virtue of a pact to which Turkey is a party Passage of any aggressor who is a belligerent is therefore clearly ruled out, and no ambiguity exists If proposed declaration aims at no more than this, it is therefore unnecessary and also dangerous as tending to create doubt where none exists.

3 If, on the other hand the Turks are proposing to prevent the passage of warships of a state suspected of intending some act of aggression, *though not yet* a belligerent and if such action is not taken in pursuance of Turkey's obligations under the Covenant as provided for in article 25 of the convention, Turkey will be doing something at variance with provisions of Montreux Convention under which non belligerent States have (save as provided in article 25) a treaty right to send specified tonnage of warships through Straits under certain clearly defined conditions.

4 Only explanation seems to be that Turks contemplate acting as if article 20, which only applies to threat of war against Turkey also applied to cases of threat of war against Soviet Union Thus (except in a case coming under article 25) would involve violation of rights of non belligerent Powers under Montreux Convention and would constitute a departure from the provisions of the convention to which His Majesty's Government could not agree, and which would certainly meet with strongest opposition from other Powers who either are or might become parties thereto It would be open to all the objections against revision of convention which have already been emphasised to Turkish Ambassador

5 Apart from this, proposed declaration whatever it meant, would clearly be designed by the nature of the case and in view of the subsequent statement that Turkey does not expect any concession from Russia *in return* mainly to give some satisfaction to Russia and would thereby provoke acute resentment and distrust of all Powers which are at present suspicious of or hostile to Soviet

Union Political results of declaration would be hardly less serious than those of M Aras's original proposal

6 As regards statement that complete refusal of Soviet proposition might bring about understanding between Russia and Italy to Turkey's detriment it is sufficiently obvious that Italy is becoming increasingly suspicious of Russia that her rapprochement with Germany is likely to increase this suspicion, and that conflicting attitudes of Russia and Italy towards Spanish civil war and other questions make any idea of combination between them against Turkey little short of ridiculous But, as was pointed out to Turkish Ambassador any attempt by Turkey to play up to Russia over Straits question is only likely to produce very danger from Italy against which Turks profess to desire to guard

7 You should immediately approach Turkish Government on above lines preferably informally and unofficially and speaking as a friend and in Turkey's own interest You may however, if you think it necessary develop objections explained in paragraphs 2 3 and 4 above in written note

(For your own confidential information)

Admiralty are much disturbed over possibilities of Turco Russian rapprochement over Straits and Mediterranean questions while arrangement such as that suggested in paragraph 3 of your telegram under reply might have most useful moderating effect on Anglo German and Japanese relations As latter are now already proceeding with great urgency they would like to receive report result of your representations by telegraph as soon as possible

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E 6812 5280 44] No 67

Mr Eden to Mr Morgan (Angora)

(No 146) *Foreign Office October 30 1936*
(Telegraphic)

My telegram No 143 of 28th October Turco Soviet relations

Turkish Ambassador called 29th October and left aide mémoire referred to in paragraph 1 of your telegram No 150 of 27th October

He was told that this would have been entirely satisfactory had it not appeared from your telegram that Turkish Government were still contemplating a declaration putting a gloss on Montreux Convention and that they were still contemplating some kind of understanding with Soviet Russia

His earnest attention was drawn to the considerations developed in my telegram No 143 of 28th October as regards both undesirability of tampering with Montreux Convention and danger of Turkey sacrificing her moral independence by attaching herself too closely to Russia Dangers of bringing Russia into the Mediterranean were also mentioned It was explained however that His Majesty's Government were giving Turkey this advice purely in her own interest and in their desire to see a strong and independent Turkey and were in no way actuated by any hostility to the Soviet Union

The Ambassador agreed with all these arguments and seemed at a loss to account for his Government's attitude He agreed that the idea of Russo Italian combination against Turkey was little short of grotesque

His Excellency promised to telegraph above views immediately to his Government and urge them to desist from the action which they apparently contemplated

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E 6840,690,44] No 68

Bay Fethi Okyar to Mr Eden (Received November 2)

Turkish Embassy London, October 31 1936

M le Secrétaire d'État,

J'ai l'honneur d'accuser réception à votre Excellence de sa note verbale du 25 septembre 1936 par laquelle elle veut bien me faire savoir que le Gouvernement de Sa Majesté britannique en Grande-Bretagne ayant soigneusement examiné les arguments exposés dans la note de cette Ambassade en date du 13 mai 1936 ainsi que dans des notes précédentes également relatives aux revendications de certains héritiers d'Abdul Hamid regrette ne devoir persister dans son opinion que le Gouvernement turc n'a pas qualité pour appuyer lesdites

revendications et que d'ailleurs celles-ci, en tout état de cause, sont infondées. En réponse aux arguments que votre Excellence développe dans sa susdite note, j'ai l'honneur de lui soumettre les considérations suivantes

2 Tout en reconnaissant la validité de la règle énoncée par votre Excellence, à savoir que l'appui diplomatique ne doit intervenir qu'après épuisement des remèdes locaux ("municipal remedies"), je me vois contraint d'ajouter que cette règle est loin d'être absolue et ne saurait s'appliquer à tous les cas. En principe, son application est restreinte aux revendications fondées sur les lois locales alors que les revendications en question se fondent sur un accord international à savoir le Traité de Lausanne La règle de l'épuisement préalable des remèdes locaux cesse d'être applicable dès qu'il est démontré que ceux-ci sont inopérants or tel est bien le cas en l'espèce, puisqu'il s'agit de l'interprétation de l'article 60 du Traité de Lausanne, et que cet article ne saurait être interprété par une cour de justice que dans le sens préconisé et prescrit par le Gouvernement dont cette cour dépend

3 D'autre part, la règle invoquée par la susdite note de votre Excellence, à savoir que l'appui diplomatique ne peut être accordé que dans le cas de revendications qui dès leur origine et sans possibilité d'interprétation contraire appartiennent à des ressortissants de l'État appuyant les revendications, ne saurait avoir l'étendue d'application et le caractère absolu que le Gouvernement de Sa Majesté paraît lui attribuer Il serait en effet possible de citer de nombreux cas où l'appui diplomatique a été accordé et admis encore que les revendications n'appartiennent pas à des ressortissants de l'État accordant l'appui Le critère essentiel est que la revendication doit appartenir à ces ressortissants au moment de l'action diplomatique et avoir été acquise par eux en toute bonne foi

4 Je ne saurais non plus, dans cet ordre d'idées, me rallier à une autre allégation de votre Excellence, à savoir que les droits des citoyens turcs intéressés auraient été cédés au profit de certaines sociétés anglaises D'une part il est avéré ainsi que votre Excellence en avait d'ailleurs été informée précédemment qu'une partie tout au moins des citoyens turcs en question n'ont conclu aucune espèce de convention ou d'arrangement avec une société quelle qu'elle soit, et d'autre part ainsi que j'ai également exposé ce point dans mes précédentes communications à votre Excellence il est évident que de tels arrangements ou conventions s'ils ont été conclus par certains des héritiers citoyens turcs intéressés n'ont pu l'être qu'en vue d'assurer la reconnaissance de leurs droits, et non pas en vue de la cession de ces droits Il s'ensuit que ces citoyens demeurent personnellement intéressés à l'obtention de cette reconnaissance et au succès des revendications qui y tendent. Il s'ensuit que le Gouvernement turc conserve le droit d'appuyer ces revendications par la voie diplomatique

5 Je dois également faire remarquer à votre Excellence que le caractère d'indépendance acquis par le Gouvernement irakien depuis la signature du Traité de Lausanne ne saurait en aucune façon abolir ou atténuer les responsabilités du Gouvernement de Sa Majesté britannique en tant que signataire de ce traité Toute considération relative à la nature des relations qui ont pu par la suite intervenir entre le Gouvernement de Sa Majesté britannique et le Gouvernement de l'Irak demeure, aux yeux du Gouvernement turc, étrangère à la question, et ne saurait partant servir à infirmer les droits découlant pour lui du Traité de Lausanne signé entre la Turquie et la Grande Bretagne et auquel l'Irak ne participe pas. Un raisonnement analogue quant au principe peut également s'opposer à l'allégation contenue dans la note de votre Excellence concernant les propriétés sises à Chypre quelles que soient la date et les circonstances de l'acquisition de l'île par le Royaume Uni, il demeure certain que le Gouvernement de Sa Majesté britannique ne saurait se refuser à prendre en considération des droits privés légitimement acquis, et, s'il s'agit d'établir dans quelle mesure de tels droits existent, c'est l'article 60 du Traité de Lausanne qu'il faut justement consulter Des inscriptions cadastrales étant données, celles-ci forment la base d'une revendication légitime et en présence de telles inscriptions il importe peu ce me semble, de savoir si du vivant de feu Abdul Hamid, des revendications ont pu être élevées et des instances judiciaires intentées en ce qui les concerne

6 Ceci posé, il me paraît évident que c'est l'article 60 qui, lesormais, constitue le seul terrain de discussion car c'est la divergence dans l'interprétation dudit article divergence admise par le Gouvernement turc aussi bien que par le Gouvernement britannique qui est le nœud du présent litige.

7 Ici, j'estime nécessaire de faire remarquer à votre Excellence que l'argumentation du Gouvernement de Sa Majesté britannique dans la note précitée du 25 septembre 1936 ne semble tenir aucun compte des procès-verbaux de la Conférence de Lausanne, dont le texte explique clairement pourquoi dans l'article 60, les négociateurs crurent devoir insérer un paragraphe 2 à la suite du paragraphe 1er, et pourquoi le paragraphe 1er mentionne le mode d'acquisition gratuite des propriétés et possessions de l'Empire ottoman, tandis que le paragraphe 2 se borne à déclarer que les États successeurs sont simplement subrogés à l'Empire ottoman en ce qui concerne les propriétés et biens faisant l'objet des cédés de 1324 et de 1325. Il paraît indubitable que, n'étant l'intention de distinguer entre les biens de la première et ceux de la deuxième catégorie, ils auraient tous été inclus dans une même catégorie et le besoin ne se serait pas fait sentir d'user de termes différents pour les deux catégories établies.

8. Le Gouvernement turc conteste aussi de façon absolue l'assertion contenue dans les paragraphes 19 et 20 de la note de votre Excellence assertion d'après laquelle les Gouvernements qui se sont succédé en Turquie auraient tous reconnu la validité du transfert à l'État des propriétés en question. Nulle reconnaissance de cette nature n'est intervenue, la vérité étant que les cédés de 1324 et de 1325 paraissent avoir été maintenus en vigueur pendant un peu plus de dix ans, et qu'un nouvel cédé est venu en 1920 annuler les précédents et renverser diamétralement la situation. Votre Excellence voudra bien convenir que c'est là tout le contraire de ce qu'elle veut bien appeler une reconnaissance. D'autre part, il n'est pas exact d'affirmer que cette situation n'a pas été reconnue par les autorités judiciaires turques dans de subséquentes occasions.

9. De même, il m'est impossible de suivre l'argumentation de votre Excellence en ce qui concerne l'analogie entre les cas de Marie Musurus et de Fatma Kadri. Dans le cas de Marie Musurus, l'argument avancé par le représentant de Sa Majesté britannique consistait dans l'assertion que les biens contestés se trouvant sis en territoire britannique le seul titre admissible du Gouvernement turc venait du droit régalien ne pouvant pas s'exercer et que d'ailleurs, la qualité d'héritier que s'attribuait ce Gouvernement était incompatible en vertu du Chériat. Or cet argument qui peut paraître applicable au cas de Marie Musurus décédée avant l'entrée en vigueur du nouveau code ne peut pas s'appliquer à celui de Fatma Kadri étant tout naturellement que le droit du Gouvernement turc en vertu du code précité s'exerce en qualité de bénéficiaire direct.

10. Le Gouvernement turc serait très heureux si à la lumière des arguments qui précèdent, le Gouvernement de Sa Majesté britannique consentait à reviser son point de vue et à reconnaître le bien-fondé de la thèse turque mettant fin à une controverse qui a déjà coûté tant de temps et de vains efforts. Cependant je dois déclarer à votre Excellence que, au cas où le Gouvernement de Sa Majesté britannique estimerait ne pas pouvoir acquiescer à un règlement à l'amiable la seule alternative serait la voie de l'arbitrage que j'ai d'ailleurs préconisée à plusieurs reprises. Je proposerais alors, pour tenir compte de tous les points préjudiciels et objections soulevés par le Gouvernement de Sa Majesté britannique au cours de ce débat de faire porter l'arbitrage sur les trois points suivants :

(1) La règle invoquée par la note de votre Excellence concernant l'épuisement préalable des remèdes locaux est-elle ou non applicable au présent litige ?

(2) Les accords qui ont pu être conclus par certains des héritiers en cause avec des sociétés étrangères sont-ils ou non de nature à infirmer l'intervention du Gouvernement turc ?

(3) L'interprétation de l'article 60 du Traité de Lausanne.

Je ne doute pas que le Gouvernement de Sa Majesté britannique si profondément imbu de l'esprit nouveau et si chaleureux partisan du règlement arbitral de tous les différends internationaux ne consente à cette solution qui me paraît toute de justice et d'équité.

Dans l'espoir d'une prompte réponse, je prie &c.

FETHI OKYAR
Ambassadeur

E 6843/89/44] No. 69

The Anglo Turkish Comptoir Agreement

Documents communicated by the Export Credits Guarantee Department.
(*Received November 2, 1936.*)

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1 *Memorandum by Mr Nixon on the Anglo Turkish Comptoir Agreement*

THIS agreement was signed on the 29th September, 1936 and, as it is something of a novelty some notes on it may be of interest. It is composed of the following documents :

(a) The Comptoir Agreement between the Ministry of National Economy and H A Brassert and Co (Limited)
(b) Lord Bevan's letter to Mr Nixon dated the 29th September 1936
(c) Lord Bevan's memorandum enclosed with that letter
(d) The Department's letter to H A Brassert and Co (Limited) of the 29th September 1936

2 The Comptoir was negotiated and arranged by the Export Credits Guarantee Department. The agreement is signed by, and is between the Turkish Ministry of National Economy and a private British firm (H A Brassert and Co (Limited)) but the latter were at all times in consultation with the Department, who formally approved the Comptoir and notified to Brasserts their assent to its signature.

3 The purpose of the Comptoir is twofold.

(*a*) Since the Turkish Government desires to buy an iron and steel plant (value about £2½ million) on long credit and since their exchange resources are notoriously limited, they propose to raise the necessary exchange primarily if not entirely by the export of certain minerals, & which would be canalised through the Comptoir and their proceeds earmarked in the first place in payment of the instalments of the credit.

(*b*) So far as Great Britain in general is concerned the purpose of the Comptoir was to exclude these sales from the clearing. This was effected in principle in the Trade and Clearing Agreement.

4 The Department's attitude to the Comptoir needs precise definition. We are interested in it only as subsidiary to the credit for the steel plant, for which our primary security will be the sterling bonds of the Turkish Government. The Comptoir is to us collateral security, and we accept it as such but we do not take any responsibility for its management or success. If however we are to accept it we must satisfy ourselves that it is a reasonable security. The dividing line between this satisfaction and the assumption of responsibility for its proper management is not always easy to trace. But our aim has been to maintain it. We have given effect to this by stipulating in practice for a power of veto over various proposals without taking any responsibility for positive recommendations.

5 This attitude had its counterpart in the Turkish side. The Turkish Government whilst prepared to examine the progress of the sales through the Comptoir for the steel plant were unwilling to admit on any account of any

hint or suggestion of control by any British organisation over the exploitation transport or sale of their minerals, &c. The basic structure of the Comptoir therefore is a mechanism for canalising Turkish exports and introducing technical advice, but giving only the most anodyne powers of interference to the foreigners whom Turkey admits into her plans for industrial exploitation. The resistance of the Turks whenever this question came up was unyielding. Attempts to carry our points further would have rendered the agreement impossible.

6. In effect, therefore, the fundamental decision which we had to take was whether we would rely on the honour and goodwill of the Turks. Our committee would not have hesitated to decline to work on this basis (even in the present political atmosphere between the two countries) unless they had felt satisfied, for it is evident that the Comptoir is, in fact, the Department's major security. If the Comptoir fails it is difficult to see how the Turkish Government will be able to meet the sterling bonds which it offers but the Department and the committee feel, after a full examination of the situation, after studying Mr. Somerville Smith's report and after long discussions with the Turks, that we can place a very high degree of reliance in Turkish good faith and on their intentions to develop through the Comptoir their mineral exports to the best advantage which they have every interest to do. It is desirable to bring out this elementary point because the same conditions might not apply to other countries.

7. It follows that the points of substance in the Comptoir Agreement are comparatively few. The bulk of the agreement is a description of the machinery which is briefly as follows:-

(a) A Turkish company will be formed by the Turkish Government for the sale of minerals and other products in the British Empire and in countries which have a trade agreement with Turkey. Its board will consist of representatives of Turkish Government Departments or other institutions (the Eti Bank, Sümer Bank, Mining Bureau and possibly the Ministry of National Economy and Ministry of Agriculture).

(b) A United Kingdom company will be formed by the Turkish company to act as its selling agent in the markets mentioned above. Its board will consist of a Turkish representative of Brasserts and a technical expert (the intention being that he shall be British or possibly American) to be appointed by the other two directors.

(c) The United Kingdom company will appoint a technical adviser to the Turkish company whose recommendations will be studied conjointly by the two companies. The Ministry of National Economy is bound to take the necessary measures to put their joint recommendations into effect.

8. It was felt nevertheless that one or two points were vital. The first of these, and by far the most important, concerns the supply of minerals. We require from the Turks an absolute promise to feed the Comptoir with enough material whatever other demands may be made upon the Turkish supplies by Germany, France or by Turkey herself for her own needs. Various proposals were made but the arrangement in the agreement which gives us an absolute priority until our bills are met must be considered very satisfactory.

9. If the materials are allocated to the Comptoir it is then necessary that they are adequately exploited and transported. No written undertaking by the Turkish Government on the complicated questions which are here involved would have strengthened our security and we agreed to be satisfied with a general assurance from the Turkish Government which is contained in Falk Bey's letter to the Department and with the provisions in article 4 for a technical adviser to the Turkish company. These provisions are as near as we could get to a definite right to intervene in Turkish internal affairs. As a matter of technical common sense the Department suggested that since no one individual could be an expert in all minerals he should have power to appoint others as required. Whilst the Turks will, we believe, welcome such appointments they were adamant against the insertion of any such power in the agreement or even in the separate letter to the Department. Such a reference could be interpreted by critics as putting the Turkish mineral exploitation under British control. We accepted this position the technical adviser will be nominated by Brasserts and we shall have a power of veto.

10. It is clear that the success of the Comptoir will depend very largely on the competence and personality of this technical adviser. If he knows his subject, is a good organiser and can secure the confidence of the Turkish authorities, he could create a dominant position for himself in the Turkish mineral world.

11. This completes the provisions that we have made about the Turkish company which will consist largely of officials of the Eti Bank, the Sümer Bank and the Departments concerned with the products to be consigned to the Comptoir.

12. The next logical step after the arrangements in Turkey was the creation of the United Kingdom company. From the general description given above it will be clear that this company would simply be the selling agent of the Turkish company and it is so defined. The Turks with a view to keeping down expenses proposed a mere skeleton office in London the functions of which would be largely confined to accounting. The real selling will be done by approved brokers on the usual commission terms. Whilst the Department accepted all this they felt that the Turkish proposals were impracticable and they insisted that in addition to the one British and one Turkish director originally proposed for the United Kingdom company by the Turks there should be first of all a third director of technical qualifications and secondly on business grounds power for each director to appoint alternates. The first of these proposals was long resisted by the Turks on political grounds but eventually conceded. They should therefore be able to receive in future first class advice from London about the marketing of their mineral products. Their sense of mineral dependence be ever further on them to undertake to accept such advice and in his letter to the Department Falk Bey says as to rely on that the final decisions about marketing policy and the fixing of prices must rest with the Turkish Government. This statement of facts we have confirmed.

13. We have informed Brasserts that we shall wish to approve the non Turkish directors of the United Kingdom company as well as the technical adviser to the Turkish company.

14. The next point on the United Kingdom company was to secure the maximum return for its activities. The question here was whether its operations would be subject to United Kingdom income tax. The point was discussed with the Inland Revenue authorities who ruled that the liability to United Kingdom income tax would not attach to the operations of the United Kingdom company provided that the agency in Turkey was formed to act solely as the agent of the Turkish Government and that the United Kingdom company was formed to act solely as the agent of the Turkish company so that in fact the English company would be merely the local representative and agent for certain limited purposes (defined in the protocol to the Clearing Agreement) of the Turkish Government.

15. Although we cannot take any responsibility for the United Kingdom company and do not wish to appear to be associating ourselves with its actions the Department must know continually what its financial position is and should be informed if any situation arises which may diminish the proceeds of the Comptoir. We must also approve its articles of association and the choice of the auditors, who have also under the protocol to be approved by the other Departments interested. These stipulations are covered in our letter to Brasserts which also states that our consent to their signing the agreement is subject to the analysis of certain samples of chrome which have been sent to Germany proving satisfactory. This analysis is expected in a few days.

16. Finally some control of the proceeds of the Comptoir is necessary as we had already accepted the Turkish opposition to building up a reserve. This control is based on six monthly periods. The receipts of the Comptoir are to be paid into a bank approved by the Department and every six months the surplus after the current steel plant bills have been met may be removed into some other bank subject to compliance with article 4 (3) of the protocol. This point was agreed by the Treasury, Board of Trade and Clearing Office.

F. H. NIXON

October 2, 1936

II *Text of the Anglo-Turkish Comptoir Agreement*

Preamble.

(1) In consideration of the agreement which is referred to in the protocol attached to the Anglo-Turkish Trade and Clearing Agreement of the 2nd September, 1936, as having been signed at Angora the 23rd July, 1936, between Messrs. H. A. Brassert and Co. (Limited) London, and the Sumer Bank,

(2) And in consideration of the letters exchanged at Angora, dated the 23rd June 1936, between Messrs. H. A. Brassert and Co. (Limited), London, and the Turkish Ministry of National Economy

(3) And in consideration of the provisions of article 4 of the protocol attached to the Anglo-Turkish Trade and Clearing Agreement of the 2nd September, 1936, between His Majesty's Government in the United Kingdom and the Turkish Government signed on the 2nd September 1936 (hereinafter referred to as "the protocol")

(4) And in view of the investigations carried out by engineers appointed by Messrs. H. A. Brassert and Co. (Limited), London regarding the mineral resources of Turkey, the mines owned by the Turkish Government and the activities of the organisation provided by the Turkish Government for the purpose of their exploitation and in view of the favourable conclusions reached concerning the possibilities of production and export of the minerals and other products mentioned in article 4 of the protocol

(5) And in consideration lastly of the goodwill shown by both parties towards one another in arriving at a favourable settlement based on the representations and explanations mutually given and received

It is hereby agreed by and between Bey Fuik Kurdoglu, representing the Turkish Ministry of National Economy (hereinafter referred to as "the Ministry") and Mr. M. Mackenzie representing Messrs. H. A. Brassert and Co. (Limited) London (hereinafter referred to as "Brassert") to adopt the following principles in respect of the Anglo-Turkish Comptoir to be formed in pursuance of the letters exchanged in Angora, dated the 23rd June 1936 as mentioned in the preamble

Article 1

The Ministry and Brassert have agreed to start at once the preparatory steps for the application of the following measures to be carried out in case Brassert is awarded the contract for the iron and steel works at Karabuk

Article 2

The Comptoir will consist of two companies, to be formed in Turkey and in the United Kingdom respectively. These companies will be looked upon as instruments for carrying out the stipulations of article 4 of the protocol. The objects of the two companies will be defined in their statutes (*vide* article 9)

Article 3

The Ministry will arrange to establish, in conformity with Turkish laws and regulations, a limited company under the name of "Turk Ingilis Ticaret ve Emanssion Korporasy on (hereinafter referred to as "the Turkish company") for the sale of minerals and other products which will be sent from Turkey to the markets mentioned in the protocol in order to meet the payments required for the iron and steel plant and other obligations, and the Turkish company will establish in London to act as its sole selling agent in the markets mentioned in the protocol, a subsidiary company in conformity with British laws and regulations which shall operate in London under some such name as "the Anglo-Turkish Comptoir (Limited)" (hereinafter referred to as "the United Kingdom company")

a. The statement in the protocol that this agreement was signed on the 23rd July 1936 was an error. It was signed on the 23rd June 1936. The error is mentioned in the preamble to the main agreement in connection with the iron and steel works plant signed on the 1st December 1936 between Messrs. H. A. Brassert and Co. (Limited) and the Sumer Bank

Representatives of the two companies shall confer from time to time and agree upon the quantities and qualities of the products to be consigned to the United Kingdom company and upon the ways and means of delivery of such products

Article 4

The common duties and aims of the two parties are to ensure the regular production and delivery of the products to be disposed of by the Comptoir in the agreed markets and to ensure the maximum net price for these products.

In view of the importance of production, transport and marketing in this connexion, also in order to ensure a close technical collaboration, a British technical expert appointed by the United Kingdom company and agreed by the Ministry shall be employed by the Turkish company. He will furnish reports to the Turkish company, duplicates of which will be forwarded forthwith to the United Kingdom company. These reports will be studied conjointly and discussed by the two companies with the object of making recommendations to be communicated to the Ministry, which will take the necessary steps to put such recommendations into effect.

Article 5

(i) The board of the United Kingdom company will consist of a representative of the Turkish authorities, a representative of Brassert and a technical expert who will be appointed by the interested parties.

(ii) The auditors of the United Kingdom company shall be appointed in accordance with the provisions of article 4 paragraph (b) (iv) (c) of the protocol.

(iii) It will be the policy of the United Kingdom company to use every assistance to obtain the highest possible price for the goods consigned to it. It will therefore operate in the highest possible through recognised brokers on metal and other exchanges, and in general will follow well established practice in the sales of all goods consigned to it.

(iv) The Turkish company shall be empowered to send its auditors at any time to investigate any given points in the general operation of the United Kingdom company. These auditors shall be entitled to see and examine all the documents and books of account of the United Kingdom company and to take copies or photographs of them if necessary.

Article 6

(i) The Ministry will take the necessary measures to satisfy by priority the requirements of the Comptoir, in order to meet at due date the payments under the Brassert contract in each six monthly period.

The word "priority" in this sub-clause means that the Ministry shall give complete preference in the supply to the Turkish company of its mineral and timber requirements over any other demands for export. The minerals in this connexion are chrome, copper, molybdenum, antimony, silver lead, emery, sulphur

(ii) Brassert undertakes in the general course of its business, to stimulate through its organisation, and other possible means, the sale and use of Turkish metals, minerals and timber consigned to the United Kingdom company.

Article 7

In each six monthly period ending on the 30th June and the 31st December in each year during the currency of the Brassert contract all proceeds of sales of minerals and timber (after deduction of administrative and overhead expenses) up to an amount sufficient to meet all bills under the Brassert Agreement falling due for payment during such six months, shall be paid to the credit of an account in the name of the United Kingdom company with a London bank approved by both parties where the bills under the Brassert contract are payable on condition that the loan in question shall show the same rate of interest as it pays for other deposits of a like nature it being understood that in case of the proceeds of sales during such six months being insufficient to meet the bills falling due during such period of six months, the deficiency shall be met at due date by the Turkish Government from other sources.

If the amount to the credit of the United Kingdom company at the above mentioned bank is sufficient therefor, the Ministry reserve the right to retire

within any such period of six months all or any of the bills falling due within such six months, at a rate of discount to be agreed

Provided that all bills falling due for payment during such period of six months shall have been duly met, any balance standing to the credit of such account on the 30th June or the 31st December shall be at the disposal of the Turkish company, and may, subject to compliance with article 4 (iii) of the protocol, be deposited in any bank in the United Kingdom designated by the Turkish company

ARTICLE 8

From the time of completion of the payments required for the Brassert contract, all rights and obligations of Brassert arising out of the contract for the iron and steel works at Karabuk will as a matter of course be terminated and the control of the United Kingdom company and all its rights and possessions shall be at the disposition of the Turkish company

ARTICLE 9

The final statutes of the Turkish company and the United Kingdom company shall be drawn up at an early date in accordance with the above stipulations by agreement between the representatives of the two parties in Angora or London and upon the awarding of the contract for the iron and steel works to Brassert they will also agree upon the necessary steps to be taken for the inauguration of the United Kingdom company by Brassert and of the Turkish company by the Eti Bank

ARTICLE 10

Signed in duplicate in London on the 20th September 1936

For and on behalf of the Turkish Ministry of National Economy
F KURDOGLU

For and on behalf of H A Brassert and Co. (Limited),
M MACKENZIE (*Director*)

[1] *Park Kurdoglu Bey to Mr Nixon*

69 *Portland Place*,
September 29, 1936.

Dear Mr Nixon,

You were kind enough to ask me in accordance with certain considerations advanced by you, to answer the following questions for your guidance :-

(1) Whether the Turkish Government possesses sufficient quantities of the following minerals as well as adequate means of exploiting and transporting them to satisfy the requirements of the contract with Messrs H A Brassert and Co (Limited)

Copper	Silver lead
Chrome	Emery
Molybdenum	Sulphur
Antimony	

(2) Whether the engagement of further specialists on the recommendation of the British technical adviser attached to the Turkish company would be agreeable to the Ministry of National Economy, in order to ensure the commercial success of the Comptoir

(3) What were the results of the analysis of the 1 000 tons of chrome ore from the Guleman deposit recently sold by the Eti Bank in Germany

As regards (1) I refer you to paragraphs 8 and 12 of my memorandum of the 2nd September, 1936,(*) a signed copy of which I enclose herewith

(*) Initialled and dated the 20th September, 1936 (see No IV).

As regards (2), our sole object is to make the Comptoir a success, and if it seems desirable on the recommendation of the technical expert attached to the Turkish company to appoint further specialists the point is already covered by article 4 of the draft Comptoir Agreement

As regards (3), the German analysis of the first 1 000 tons of chrome ore sent from Guleman to Krupps showed a chrome content of 49·6 per cent., whereas the contract between the Eti Bank and Krupps provided for 48 per cent. only In subsequent contracts (1,000 and 1,700 tons respectively) we have provided for a 50 per cent. content, but the German analysis has not yet been received by the Eti Bank

Finally, we have agreed that a technical expert shall be appointed to the board of the United Kingdom company by agreement between the other two directors At the same time, I shall be glad of your confirmation that final decisions as to policy and to fixing of prices must rest with the Turkish company

F KURDOGLU

IV *Memorandum by Park Kurdoglu Bey*

Messrs H A Brassert and Co (Limited) London having tendered for the construction of the iron and steel plant to be erected at Karabuk have in connexion with this purpose, sent a representative to Angora

2 After lengthy negotiations the documents, of which copies are attached (see enclosures Nos 1 and 2(*)) have been signed and ratified in principle by the two Governments through article 4 of the protocol annexed to the Anglo-Turkish Trade and Clearing Agreement of the 2nd September, 1936 (see enclosure No 3).

3 Both parties have basically agreed to the payments being made in London and in sterling

4 As Turkish goods are the normale d'échange ("means of exchange") recognised in principle by the Turkish Government, the following arrangement has been agreed upon to secure the sterling cover referred to in the above paragraph 3

(*a*) Two companies, one in Turkey, the other in Great Britain, shall be founded by the Turkish Government to act as a private clearing house for a period of eight years, independently of the general clearing now applied and of the one provided by the Anglo-Turkish Trade and Clearing Agreement of the 2nd September, 1936 (see article 4, paragraph 5, of the protocol enclosure No 3 (*)).

(*b*) The mineral ores and the timber sent by the company in Turkey to the company in London shall be sold by the latter and the proceeds disposed of in accordance with the provisions in the protocol attached to the Anglo-Turkish Trade and Clearing Agreement of the 2nd September 1936

(*c*) In case the proceeds from that sale should not cover the payments due, the Turkish Government shall make up the balance from other sources, thus ensuring that the sterling payments in question are made in London without delay, in accordance with the above paragraph 3.

(*d*) As may be seen from enclosure No 2(*) the Turkish Treasury shall guarantee the preceding pledge by the emission of Treasury bonds.

5 The representative sent to Angora from the Export Credits Guarantee Department has submitted a report from the general financial point of view So have also, from the mineralogical point of view, the engineers sent out by Messrs H A Brassert and Co (Limited), who have inspected in detail the position of the Turkish mines, the mines held by the Turkish State and the organisation existing for their exploitation These reports are believed to be confirmative.

(*) Mr Parkinson did not communicate the enclosures referred to to the Export Credits Guarantee Department Enclosures Nos 1 and 2 were presumably the preliminary agreement between Messrs H A Brassert and Co (Limited) and the Sümer Bank of the 23rd June, 1936, and the letters exchanged between the company and the Ministry of National Economy on the 23rd June 1936 Enclosure No 3 is evidently the Anglo-Turkish Trade and Clearing Agreement of the 2nd September 1936, itself

6. The companies to be founded in Turkey and Great Britain (see enclosure No. 2 and the above paragraph 4) shall serve the following ends —

(*a*) The marketing in London for account of the Turkish Government of the mineral ores and of the timber to be sent on consignment by the Turkish Government and the disposal of the proceeds according to the principles set forth in the above-mentioned texts.

(*b*) It is understood that the goods thus to be sent on consignment are Turkish goods and that Turkey shall meet all expenses in connexion with this operation and the organisation necessary to perform it; on the other hand it is natural under these circumstances, that every decision to be made regarding the goods from the time of their production through all intermediate stages up to the moment when they are sold, has to rest entirely and solely with the Turkish Government.

Notwithstanding this, the Turkish Government contemplates interesting Messrs. H. A. Brassert and Co. (Limited) in the following points with the understanding that their interest remains limited to those points —

(i) A sincere and full-hearted co-operation in securing a regular sale of the goods under the most favourable conditions and at the highest prices made possible by the position on the international market.

(ii) A willingness to avail themselves of every opportunity in the subsidiary agreements concluded in connexion with the iron and steel plants to impose the condition of purchasing Turkish metal ores.

(iii) Constant efforts to help the Turkish company with reports and suggestions on the most economical and rational methods of marketing the Turkish ores and timbers in question.

(iv) The common interest of the two parties in a satisfactory functioning of the plan.

7. To sum up the part already destined or that furthermore be contemplated for Messrs. H. A. Brassert and Co. (Limited), in the administration and activities of the companies in question depends on the Turkish Government's opinion of the credit it may have of and the benefit it may derive from Messrs. H. A. Brassert and Co. (Limited) service in this matter, the whole suggestion being one which the Turkish Government puts forward solely in its own interest, its pledge to Messrs. H. A. Brassert and Co. (Limited), and the essence of the attached documents being as follows —

(*a*) I shall in due time pay my debts to them in sterling in London, through selling mineral ores and timber.

(*b*) Should the proceeds from those sales fall short of the amounts required for the payments I shall procure the balance from other sources, so that any payment due shall in any case be entirely effected in London in sterling without any delay.

(*c*) I propose to use the services of Messrs. H. A. Brassert and Co. (Limited) to my own advantage in matters of the sale; the decision as to how to use their help resting solely with me.

To sum up: the above question and its method of settlement, have been examined and discussed at leisure and thoroughly. There is no possibility whatever of, and the condition agreed upon definitely precludes, its use to promote the interest of third parties. Trust in one another's good faith is here essential. Turkey while firmly upholding and jealously applying in her dealings with other countries the principle of fixing her prices in Turkey and making her payments in goods, has now decided on the novel experiment of—

(i) Undertaking to make sterling payments in London;

(ii) Renouncing the 50 per cent. principle upheld by her in cases of a mutual barter of goods when a high rate of interest is adopted considering the length of the period before payment (see article 11 of the Anglo-Turkish Trade and Clearing Agreement of the 2nd September, 1936);

(iii) Pledging herself, in case the proceeds from the sales should not cover the payments due, to make good the balance from other sources; and lastly

(iv) Granting the Treasury's signature as a guarantee.

This experiment is a sacrifice Turkey consents for the sake of this deal with Great Britain. The benefit she expects from this kind of transaction is not only the ability to meet her requirements in connexion with Messrs. H. A. Brassert and Co. (Limited), but also to obtain by means of the sales in question amounts in sterling vastly superior to these requirements, with the ultimate object of securing the British co-operation in applying her whole industrial plan.

8. There remain two questions which, as a matter of fact, are not directly connected with the matter under consideration —

(i) As to the exports of mineral ores from Turkey, there is no law forbidding this.

(ii) Can the transport be effected on British ships? The answer to this is as follows: Why not? This is a commercial deal we are attempting, therefore, commercial and economic considerations should be decisive. Turkey is not equipped for long-distance transports by sea. Statistics of the imports and exports between her and the various countries for the period before the 1929 crisis teach us the following lesson —

(*a*) Turkish exchanges with countries with which there existed regular sea communications head the list, and this despite the fact that some such countries as France and Italy, had protection.

(*b*) The exchanges with countries having no regular sea connexion with Turkey were small and showed no progress.

We may draw the conclusion that the establishment between Great Britain and Turkey of a direct line of sea communication is extremely desirable from the standpoint of the expansion of the exchanges between the two countries, especially so if the ships are equipped with cold storage facilities, which would allow the export of Turkish fruits and vegetables and thus yield a double advantage. But, of course no engagements can be undertaken in this connexion, as all depends on the freights to be applied.

9. A last point is with what bank the proceeds shall be deposited. Turkey has no objection to it's being one of the "five big," should, however, a Turkish bank open a branch in London, the deposits, especially the sums in excess of the H. A. Brassert and Co. (Limited) requirements, would be transferred there. The Turkish Government must be left free to choose the bank it prefers. (See Protocol attached to the Anglo-Turkish Trade and Clearing Agreement of the 2nd September, 1936.) This is a purely commercial matter and depends on the rate of interest to be allowed on the sums waiting to be paid out.

10. It is essential, for a favourable settlement of the matter, that the two parties should have full confidence in one another. It is absolutely certain that such a feeling of trust has arisen in the course of the negotiations. The insertion of any clause which might give the impression that this feeling does not really exist could, therefore, be exceedingly regrettable.

11. The Turkish Government has created:

(i) An institute for mineral research and studies called M.T.A. (Maden arama ve tetkik enstitusu).

This institute is, as its name suggests, organised to investigate the mineral resources of Turkey, and to make suggestions for their exploitation in the most economical and rational way, and this is not only for Government offices, but to every one concerned or interested.

(ii) The Eti Bank, for the purpose of exploiting and marketing in the most economical and profitable way the mineral resources of Turkey belonging to the State.

(iii) The Sumer Bank, for the purpose of erecting and operating all the industrial State works as prescribed by the industrial policy of the Turkish State.

These are the main Turkish State organisations that will be directly or indirectly interested in the matter of the Comptoir.

12. The Turkish Ministry of Economy have given assurances to Brasserts, among others, on the following points —

(i) That minerals owned or at the disposal of the Turkish Government and available for export through the Comptoir exist in ample quantities.

(ii) That the Ministry has, and will obtain continually, sufficient technical mining staff and up-to-date equipment to ensure most economic production

(iii) That adequate transport facilities exist and will be made available continually

(iv) The mineral assets are, in the estimation of the Turkish Government, its main *monnaie d'échange* (means of exchange) which will be used for the payments of its purchases abroad for its economic equipment and recovery It is therefore natural that their exploitation and exports will be increased in the most rational ways.

The engineers sent by Brassert to Turkey have examined the mines and have come in touch with the institutions mentioned in paragraph 11, and they have seen their methods of work and we hope they have been satisfied They found that we were very modest and prudent in our estimates.

The foregoing observations and the attached draft(*) are respectfully submitted to your high commercial and logical consideration

Yours faithfully,
FAIK KURDOGLU,
Under-Secretary of State to the Ministry of National Economy, Angora

September 29 1936 (originally communicated to Export Credits Guarantee Department on the 2nd September 1936 but signed on the 29th September, 1936)

(*) Presumably an earlier draft of the agreement ultimately signed on the 29th September (but see No 1).

V *Export Credits Guarantee Department to H A Brassert and Co (Limited)*

Gentlemen *September* 29, 1936

We refer to the negotiations which have taken place between yourselves and the Turkish delegation at present in London with a view to concluding an agreement for the establishment of an Anglo Turkish Comptoir in pursuance of the letters exchanged in Angora on the 23rd July 1936 (*) We have considered the draft agreement dated the 29th September, 1936 (a copy of which is enclosed(*)) and agree to your signing it in this form provided that—

(*a*) The memoranda and articles of association of both the Turkish and United Kingdom companies are submitted to the Department for approval before they are adopted

In this connexion we consider it of great importance that the United Kingdom company should possess all the necessary powers to enable it to function with the maximum efficiency It should, for example, have power to enter into contracts with other producing interests and the directors should have power to appoint alternates in case of absence and have powers to borrow

(*b*) The names of the British director and the technical expert on the board of the United Kingdom company, as well as that of the British technical adviser to the Turkish company, are submitted to us before their appointment and we have the right of veto if it appears expedient to us to exercise it

(*) The letters are in fact dated the 23rd June The protocol to the Clearing Agreement of the 2nd September 1936, also referred in error to the Clearing Agreement of the 23rd June as having been given on the 23rd July (the parties mentioned in the preamble to the principal contract between Messrs H A Brassert and Co (Limited) and the Sumer Bank of the 1st December 1936) and the exchange of letters as therefore here referred to as having taken place on the 23rd July as well

(*) I e the draft of the Comptoir Agreement signed, in consequence of this permission, the same day

(*c*) The names of the auditors to be agreed between the two Governments in virtue of article 4 (iii) (*c*) of the Protocol to the Trade and Clearing Agreement of the 2nd September, 1936 are submitted to us. We, for our part, will discuss their appointment with the other Departments of Government interested

(*d*) We are furnished with regular monthly statements of the financial situation of the Comptoir and with such further statements as we may at any time require.

(*e*) The name of the bank to be approved by the two parties in virtue of article 7 of the Comptoir Agreement is submitted to us for prior approval, and we are consulted about the arrangements to be made between the Comptoir and that bank

2 While we accept no responsibility for the activities of the Comptoir, we shall expect to be advised of any recommendations proposals or situations which might affect adversely or otherwise its principal purpose which is to provide security for the payments due under your contract with the Sümer Bank

3 We shall be glad of your confirmation on the above points

Yours faithfully,
F H NIXON
General Manager

P S Subject to a satisfactory analysis of the chromic ore which has been shipped from the Guleman Mines to Germany

F H N

A 8686/4671/45] No 70.

Mr Eden to Sir E Phipps (Berlin)

(No 1223)
Sir *Foreign Office, November* 4, 1936

PRINCE VON BISMARCK was asked to call at the Foreign Office on the 28th October in order to discuss with Sir Robert Craigie the German attitude towards the Montreux Convention He was accompanied by M Ernst Woermann the new German counsellor It was explained that the aide mémoire communicated to them a copy of which is enclosed herein, was merely a record of what had been said to them in the course of the interview and was not to be regarded as a written communication

2 They were informed that to put the point in homely language, the German Government appeared to be crying out before they were hurt There was always the possibility that things might develop in the way they had suggested but there was in our view no reason to take such a pessimistic view as the German Government appeared to do of the chances of the provisions of the Montreux Convention being impartially and correctly carried out by Turkey

3 Prince von Bismarck was inclined to take exception to the passage in the last paragraph of the aide-mémoire about the risk of "general statements unsupported by specific arguments, proving misleading and even dangerous" He asked jocularly whether this was a reflection on the general nature of the German representations. He was assured that this was not the case, but that this sentence was merely meant to supply the reason why His Majesty's Government had thought it well to give a rather full statement of the grounds on which they found themselves unable to share the German view

4 In the course of a discussion in regard to the Turkish attitude M Woermann made the observation that, since the Montreux Convention, Turkey's relations with Moscow appeared to have been a little less cordial, while her relations with the United Kingdom had been more friendly He was told that probably this was the case and that it seemed to His Majesty's Government to reflect credit on the skilful handling of the Turkish delegation by the United Kingdom representatives at Montreux Prince von Bismarck stated that this was a tendency which was naturally very acceptable to Germany He was told in reply that such a policy was not likely to be promoted if the German Government maintained towards the Montreux Convention the attitude which had been outlined in Prince von Bismarck's original communication

5 Prince von Bismarck said he would report to his Government and enquired whether His Majesty's Government required any answer He was told that no reply was necessary

I am, &c
ANTHONY EDEN

Enclosure in No. 70

Aide-mémoire

(Confidential)

IN the course of a conversation with Sir R Craigie on the 7th September Prince von Bismarck stated that he had received instructions to mention unofficially the serious view which his Government took of the strategical consequences of the recent decisions taken at the Montreux Conference From the ensuing conversation it appeared that the view taken by the German Government may be summarised briefly as follows

On general grounds of principle the German Government of course approved the granting to Turkey of authority to remilitarise the Straits since Turkey had in this respect assumed equality of rights with other Powers Nevertheless, if Turkey remained on as close relations with Soviet Russia as she is to-day she cannot be expected to carry out impartially her obligations under the Montreux Convention On the contrary it is at least equally legitimate to surmise that, once the Straits have been remilitarised Turkey will acquire a sense of strength and independence which will free her from the necessity of assuming commitments which might conceivably be held to conflict with her existing obligations under the Covenant

Let it be supposed however for the sake of argument that Turkey either concludes an alliance with Soviet Russia or enters into so close a relationship with the latter that she may be confidently expected to become an ally, should that Power be engaged in war Would there in such circumstances be any sound basis for the assertion that the strategical position of Germany has been weakened as a result of the conclusion of the Montreux Convention and the remilitarisation of the Straits?

It has already been noted that if Turkey were Russia's ally in war she could make the passage of the Straits impossible to an enemy It is in respect the position does not seem to differ materially from what it would have been in practice had the Lausanne Convention still been in force It is believed that even during the currency of the Lausanne Convention any naval Power would in practice, have taken the risk of sending a squadron into the Black Sea with the knowledge that Turkey was likely to side with Soviet Russia and to take any opportunity to embarrass the enemies of that country In such circumstances a movable armament of sufficient calibre to deter the passage of warships and to act as a complete bar to transport, supply and ammunition ships could at any time have been placed in the demilitarised zone with serious effects for any squadron which had entered the Black Sea in pursuit of the Russian fleet It is the view of His Majesty's Government that extended operations in the Black Sea by a Power unfriendly to Turkey would at no time have been possible, and that the so-called freedom of passage formerly enjoyed by belligerent vessels under the 1923 convention was largely illusory This being the case, His Majesty's Government consider that the right of fortification in the Straits granted to Turkey under the Montreux Convention has had little if any effect upon the military situation

The second point mentioned by Prince von Bismarck was that Soviet Russia would now be able to leave the naval defence of the Black Sea to Turkey and to concentrate all her naval forces in the Baltic His Majesty's Government are unable to share this view for the following reasons –

(1) It is in the highest degree unlikely that any country would place itself unreservedly in the hands of another country, however friendly, by taking the action suggested in Prince von Bismarck's communication Relations between States being subject to variation, no country is likely to incur so grave a risk Nor in the particular circumstances under consideration does it seem likely that Soviet Russia would denude the Black Sea of her naval forces precisely at a moment when Turkey's military strength is being enhanced through the remilitarisation of the zone of the Straits

As regards the exception in favour of treaties of mutual assistance, it is important to note that this is limited to treaties to which Turkey is a party— that is to say, it only comes into force in those cases where Turkey is already under an obligation to discriminate in favour of one party to a dispute at the expense of another It would be virtually impossible for Turkey to implement such a treaty without herself becoming involved in the war as a belligerent- in fact, it may be said that discrimination between two belligerents is contrary to the whole conception of neutrality

If, on the other hand, the war should be one in which Turkey was or became a belligerent, then, since *ex hypothesi* Russia would already be a belligerent Turkey must be either her ally or her enemy In the first case she would in any circumstances, as pointed out below, whether the Montreux Convention existed or not close the Straits, or render their passage impossibly dangerous, to Russia's enemies In the second she would obviously welcome any ally against Russia and close the Straits to Russian ships

It should be noted in connexion with the above observations, that His Majesty's Government cannot accept the assumption that appears to underlie Prince von Bismarck's statement namely that if Turkey remains in as close relations with Soviet Russia as she is to-day she cannot be expected to carry out impartially her obligations under the Montreux Convention On the contrary it is at least equally legitimate to surmise that, once the Straits have been remilitarised Turkey will acquire a sense of strength and independence which will free her from the necessity of assuming commitments which might conceivably be held to conflict with her existing obligations under the Covenant

Let it be supposed however for the sake of argument that Turkey either concludes an alliance with Soviet Russia or enters into so close a relationship with the latter that she may be confidently expected to become an ally, should that Power be engaged in war Would there in such circumstances be any sound basis for the assertion that the strategical position of Germany has been weakened as a result of the conclusion of the Montreux Convention and the remilitarisation of the Straits?

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The second point mentioned by Prince von Bismarck was that Soviet Russia would now be able to leave the naval defence of the Black Sea to Turkey and to concentrate all her naval forces in the Baltic His Majesty's Government are unable to share this view for the following reasons –

(1) It is in the highest degree unlikely that any country would place itself unreservedly in the hands of another country, however friendly, by taking the action suggested in Prince von Bismarck's communication Relations between States being subject to variation, no country is likely to incur so grave a risk Nor in the particular circumstances under consideration does it seem likely that Soviet Russia would denude the Black Sea of her naval forces precisely at a moment when Turkey's military strength is being enhanced through the remilitarisation of the zone of the Straits

(2) The Union of Soviet Socialist Republics is an Asiatic as well as a European Power, and it is improbable that the Soviet Government would voluntarily deprive itself of the forces most readily available to reinforce the Far East and to protect Russian communications between Europe and the Far East. The conditions in the Gulf of Finland are such that the fleet of the Union of Soviet Socialist Republics in this area is virtually immobilised for certain periods during the winter months, whereas a fleet stationed on the Black Sea coast could, except under the most abnormal conditions, always go to sea.

(3) It has always been the practice of Russia to have shipbuilding yards and dockyards in the Black Sea, and it is considered most unlikely that the task of moving them to the Baltic would be seriously considered. For the protection of these shipyards it seems virtually certain that Soviet Russia would wish to maintain adequate naval forces in those waters however friendly Russo-Turkish relations may be at any given moment.

The grounds on which it is felt that neither Germany's strategical position, nor that of His Majesty's Government have been prejudiced have been indicated in some detail because of the risk that general statements, unsupported by specific arguments, may prove misleading and even dangerous. It is hoped that the German Government after taking the above points into consideration will be prepared to agree that the strategical effects of the Montreux Convention are likely to be of less consequence than they had at first anticipated.

E 6920/5280/44] No. 71

Mr Eden to Mr Morgan (Angora).

(No. 147.)
(Telegraphic.) R. *Foreign Office, November 6, 1936.*

YOUR telegram No. 153 of 1st November: Turco-Soviet relations.

Relevant passages of President's speech have also been communicated to me by Turkish Ambassador to whom appreciation of President's language has been expressed.

You should, however, also inform Turkish Minister for Foreign Affairs that His Majesty's Government have noted with appreciation the reference to Anglo-Turkish relations in this speech, and add that references to Montreux Convention, as finally phrased, appear to be unexceptionable.

[E 6987/2583/44] No. 72.

Mr Morgan to Mr Eden. (Received November 9.)

(No. 542.)
Sir, *Angora, November 2, 1936.*

WITH reference to my telegrams Nos. 152, 153 and 154 of the 1st November, 1936, I have the honour to transmit to you herewith the official French translation of that part of the speech, delivered by the President of the Republic at the reopening of the Grand National Assembly on that date, which deals with Turkey's international relations.

2. Apart from the passages already telegraphed as being of general or particular interest this part of the speech contains no remarks of special significance. The applause of the Assembly was particularly noticeable after the references to the King, to the exclusion of belligerent vessels from the Straits, to Soviet Russia and to Yugoslavia, while the references to Alexandretta and Antioch brought the Assembly to their feet in a burst of cheering.

I have, &c.
JAMES MORGAN

Enclosure in No. 72.

Extract from Speech by the President of the Turkish Republic on November 1, 1936.

(Traduction.)

DU point de vue international, d'heureux événements pour nous ont marqué cette année. Je dois citer à cet effet, en premier lieu le voyage incognito de Sa Majesté Edouard VIII, Roi d'Angleterre, et la mise en application du nouveau régime des Détroits, prévu par la Convention de Montreux.

Il est hors de doute qu'à la suite de la connaissance personnelle que j'ai eu le bonheur de faire avec le grand Roi d'Angleterre, l'amitié qui s'est créée entre nous a eu de bienfaisants effets sur les relations cordiales qui se développent de fait entre les deux Gouvernements, conformément aux tendances de nos nations.

Les signataires de la Convention de Montreux qui, en reconnaissant les droits de la Turquie, ont fait preuve d'une haute amitié et compréhension ont rendu par la même occasion d'appréciables services, pendant cette période grave où la situation internationale continue à être critique, à la cause de la paix générale dont la consolidation requiert l'effort unanime de tout le monde.

Les Détroits, qui ont maintes fois provoqué dans l'histoire des prétextes de controverses et de convoitise, ne constitueront plus désormais, sous la souveraineté entière de la Turquie, que des voies de communication aux échanges du commerce et de relations amicales.

Il est dorénavant interdit aux bâtiments de guerre de toute Puissance belligérante de passer à travers les Détroits.

Par cette occasion je ressens une satisfaction particulière à rappeler que notre amitié avec l'Union des Républiques soviétiques socialistes, notre grande voisine maritime et continentale, qui depuis quinze ans a fait amplement ses preuves en continue à suivre son développement normal avec la même force et la même sincérité que dès les premiers jours de son institution.

Cette année, j'ai aussi eu le plaisir de m'entretenir avec le distingué Ministre de la Guerre et des Affaires étrangères de l'Afghanistan. J'ai également éprouvé une joie particulière de voir parmi nous au cours de notre fête nationale l'éminent Président du Conseil et Ministre des Affaires étrangères de notre amie et alliée la Yougoslavie.

Le raffermissement de la fraternité interbalkanique fut de tout temps notre désir principal.

Les liens turco-yougoslaves sont l'une des expressions essentielles de cette fraternité. Nous sommes aussi cordialement en contact permanent avec nos autres alliés et amis.

Le maintien de la paix dans les Balkans, l'Asie occidentale et la Méditerranée orientale, semble plus assuré que dans la plupart des autres parties du vieux monde.

Je note avec plaisir que la Turquie entretient de bons rapports avec toutes les Puissances.

La grande question du jour qui en ce moment préoccupe à tout instant le peuple turc, c'est la destinée de la région d'Alexandrette et d'Antioche qui appartient en réalité au plus pur élément turc. Nous sommes obligés de nous arrêter sur ce point sérieusement et fermement.

Cette importante question est la seule qui existe entre nous et la France, à l'amitié de laquelle nous attachons toujours une importance particulière. Ceux qui connaissent le fond de l'affaire et qui respectent le droit et la justice, comprennent bien et trouvent tout naturel la force et la sincérité de l'intérêt que nous attachons au sort de cette contrée.

Il semble que les négociations internationales et les courses aux armements feront de l'année prochaine une année de grandes préparations. Nous souhaitons de tout cœur que les différends internationaux puissent aboutir à des accords.

[T 16519/3672/375] No 73.

Mr Morgan to Mr Eden (Received November 12)

(No. 544 Confidential)

Angora, *November* 2, 1936.

Sir

I HAVE the honour to acknowledge the receipt of your despatch No. 443 of the 25th August requesting information as to the state of the administration of justice in Turkey at the present time, in relation to the proposal to establish extradition procedure between Turkey and Palestine

2. His Majesty's consular officers at Istanbul and Smyrna and the commercial secretary of His Majesty's Embassy have been consulted on this subject and Mr. W. J. Perkins, legal adviser to the Embassy has prepared at my request a memorandum (of which a copy is enclosed herein) containing a valuable and comprehensive review of the administration in its leading aspects of justice in Turkey to day. For convenience the subject may be divided under the following headings (A) General considerations (B) criminal matters (C) other branches of jurisdiction (D) prison administration

(A) *General Considerations*

3. The present administration of justice in Turkey though as will be seen many reforms have recently been introduced undoubtedly still falls short of English standards, those shortcomings, as Mr. Perkins suggests in his memorandum, and as those whom I have consulted agree, are due in the main to the following reasons: (a) The inadequate salaries of the judges and insecurity of tenure which puts them open to the temptation of corruption. As will be seen from paragraph 5 below however bribery is practically unknown in criminal cases and is mostly confined to commercial questions, and especially marine cases and is mostly confined to commercial questions, and especially marine collision cases, where it is rife. It may be observed that there was no delay in the handing over of Samuel Insull to the United States authorities despite the fact that he was travelling on a Greek steamer which claimed to be passing through Turkish waters in transit. (b) The comparatively low standard of proficiency in the Turkish legal profession which may result in miscarriages of justice through inability on the part of the judges to follow legal arguments and to interpret the law correctly. (c) Shortcomings in the legal procedure in force in the courts in Turkey which make for undue delay and cause unnecessary hardship particularly in criminal cases. Further deficiencies in the administration of justice are the facts that the lower courts are under no obligation to recognise and apply the decisions of the court of cassation and that there is no comprehensive collection of Law Reports or Turkish commentaries on the codes and laws. In a general way it may be taken as an axiom that when political considerations enter into a case, justice withdraws from it.

4. From the point of view of differentiation of treatment, I share Mr Perkins's view that, generally speaking, a foreigner is treated on a footing of absolute equality with the Turk. This is especially the case in criminal questions (see paragraph 5 below)

(B) *Criminal Matters*

5. Subject to the general considerations contained in paragraph 3 above, the administration of this branch of justice, which is that which is likely to be considered of most importance in connexion with extradition proceedings appears to be satisfactorily conducted. The existing penal code is modern and comprehensive and has recently been further revised by the introduction of certain reforms details of which are given on pp. 14 and 15 of Mr. Perkins's memorandum and in paragraphs 7 and 8 below. In Mr. Perkins's opinion with which I agree miscarriages of justice in criminal cases are rare and bribery plays no part. I further concur in Mr. Perkins's view that "it is probably correct to say that a foreigner accused before the Turkish criminal courts will receive an absolutely fair trial. It is believed that the tendency would be in the existing state of Turkish aspirations towards a reputation for a high degree of civilisation for exceptional care to be taken to this effect." In the experience of

His Majesty's consul general at Istanbul there has been no reason to regard as unfair the sentences passed in cases before the criminal court involving foreigners which have come recently to his notice. An exception must be made of cases where foreigners are accused of an "offence to Turkism" on which occasions they are liable to be unfairly treated. But this is a manifestation by no means confined to this country.

6. The most serious defect of the administration of justice in criminal matters appears to be the inordinate length of time normally taken to complete trials, with the result that accused persons are kept long in suspense pending sentence. Recent reforms of the penal code all tend, however to remedy this defect and improvement in this respect may accordingly be anticipated. It must be admitted however that the procedure of criminal trials is often faulty, owing chiefly to unsatisfactory methods for hearing oral evidence and to inadequate machinery for recording such evidence.

7. The latest reform in the sphere of criminal jurisdiction is that contained in a law, No. 3005 of the 12th June in force on the 1st October, 1936 *Rizzo*, volume XIV (first issue 23 p. 720), dealing with persons apprehended in *flagrante delicto* in certain cases, generally connected with public order (viz., incitement to hold an unauthorised religious services or processions (article 529 of the penal code) unauthorised sale or distribution of documents (article 534), unauthorised opening of premises for public shows (article 539), inciting children under 15 to beg (article 547) impostors imposing on the public (article 549), unauthorised use of fireworks, explosives and firearms (article 551, dangerous driving (article 565, printing or participating in games of chance in public (articles 565 and 567) drunkenness (articles 571 75) indecent behaviour (article 576) public molestation of individuals (article 547). The penalties which may be imposed range from a fine to five years' imprisonment according to the offence. The object of the new law is apparently to diminish the number of crimes of lesser importance and misdemeanours and to speed up the administration of justice in that respect. By the terms of the law the police must refer cases to the public prosecutor who is bound to send the accused on to the court the same day with a note of his views on the case. The court must hear and decide the case immediately and at one hearing in preference to any other case.

8. While it is as yet early to gauge the effect or value of this reform, the general impression created in the minds of the public would appear to be one of some apprehension. It is, indeed to be doubted whether the comparatively inexperienced judges who are called upon to administer the new summary procedure are capable of doing so in such a manner to ensure the meeting out of real as well as rapid justice. Moreover, while an accused person has the right to be defended by counsel, in practice it would be difficult for him to secure the services of a lawyer at such short notice. It appears, indeed that the haste which the new law enjoins is already resulting in the imposition of heavy sentences for minor offences. The new procedure will, however, probably result in improvement in the attitude of the police towards suspects, for whereas up to now the police have been exercised to obtain the necessary evidence to prove their case and have frequently resorted to dubious methods, including violence, in order to obtain it cases will now go straight to the magistrate without the police being called upon to prove their case in the old manner.

(C) *Other Branches of Jurisdiction*

9. The administration of justice in civil cases a question of less importance from the point of view of extradition while suffering from the shortcomings mentioned in paragraph 3 above, appears to be generally satisfactory except in regard to bankruptcy cases. Probate and divorce matters in particular, are normally settled expeditiously and equitably. In commercial cases however the administration of justice is unsatisfactory, particularly as regards marine insurance cases. The commercial secretary of His Majesty's Embassy considers that foreigners contemplating bringing commercial suits in Turkey are generally better advised to settle out of court, in view of the interminable delays with which proceedings are attended. It is the experience of His Majesty's consulate general at Istanbul that satisfaction is rarely obtained by foreigners on bringing such cases to the Turkish court.

(D) *Prison Administration.*

10. The general standard of prisons in Turkey is low. If a prisoner has friends or money he can contrive to make himself tolerably comfortable, by Turkish standards, without either, his lot is deplorable. At the main prison of Istanbul (Sultan Ahmed), so I am informed on reliable authority, murderers and persons convicted of trifling offences are herded together and conditions generally are very defective. This particular prison, however, is shortly to be demolished, and prisoners will then be sent to the existing "House of Detention" at Istanbul, where conditions are reported to be somewhat better although according to members of His Majesty's consulate general at Istanbul who have visited it an entire lack of the most elementary comfort prevails there, persons accused of all sorts of crime are herded together the place is filthy and there is no furniture of any kind. His Majesty's consul general at Smyrna reports that, while some progress may have been made during the past few years even so, with the exception of the main prison at Smyrna and one or two in the larger provincial towns, prison conditions can only be described as appalling. The "model prison" at Angora is only model as regards its construction it is otherwise indifferently administered. So far little has been done for young offenders who are often herded together with hardened criminals although in Istanbul arrangements are sometimes made for youthful prisoners to spend their term in the prison hospital or at the school of the "Enfants abandonnes."

11. Prisoners as a whole are not ill treated and it is probable that in a general way foreigners receive better treatment than Turkish citizens provided that they are in a position to ameliorate their lot by the help of money or friends. Prison conditions in most in Turkey are in fact still at the stage of the old Fleet in England a century ago.

12. There is however good reason to think that a determined effort is being made to cleanse these Augean stables. A new prison I understand is to be built at Eskisehir. The counsellor of the United States Embassy (who is interested in prison life and prison reform and has visited many prisons both in Turkey and abroad) has informed me that he cannot speak too highly of the work in this direction which is being done by the director general of the Administration of Prisons, Mutahhar Serif a young man of 28 educated at the American college at Smyrna who has enlightened views and has set himself the task of reforming prison administration in Turkey. In this aim he is said to enjoy the full support of the Minister of Justice. Concrete results have already been achieved by the establishment, a year ago, of a convict settlement on the Island of Imrali in the Sea of Marmora where felons convicted of serious crimes (mostly murder of the second degree) are allowed the freedom of the island under a very modified form of surveillance and are occupied with useful trades such as agriculture and building. Mr Shaw, who has visited the settlement describes the results achieved by the experiment as remarkable.

13. To sum up although the administration of justice in Turkey certainly falls short of English standards there has been marked progress in recent years, while still further improvement is to be anticipated as time goes on and as the Turkish judges and the Turkish legal profession as a whole gain an increasing mastery of modern judicial ideals and methods.

I have &c.
JAMES MORGAN

Enclosure in No. 73

Memorandum by Mr. Perkins on Administration of Justice in Turkey

THE administration of justice in Turkey can be said to have progressed to a very considerable degree since 1924, when the foreign courts finally closed their doors. This progress has been marked by the gradual acquisition by judges and the legal profession alike of a knowledge of a number of legal principles doctrines and subjects which were previously outside their ken and has called for the difficult feat of forgetting the laws practice and procedure of a lifetime by the introduction of a series of codes and the promulgation of countless laws and decrees by the reorganisation of the legal machine in all of its branches and by

the gradual education of the people towards a greater measure of confidence in the courts.

Nevertheless, the administration of justice in this country at the present time falls very far short of English standards. The causes of this shortcoming are many, but the principal ones are probably the low salaries paid to judges and other officials coupled with their lack of security of tenure the general low standard of intelligence in the country and the prevalence of bribery and corruption.

In a short survey of the subject such as the present the best picture will probably be conveyed by a description of the most noticeable defects from which the different branches of jurisdiction suffer but before so doing it will be as well to amplify the writer's suggested three main causes for indictment and also to remark upon certain points where failure is common to all types of jurisdiction alike.

Inadequate Salaries and Corruption

Failure to pay judges and officials more than a bare living wage must inevitably have the effect of exposing them to the temptation of bribery. The salary of the president of the heavy penalties criminal court of Istanbul is £T 250 (£40) a month that of the president of the commercial court £T 200 (£32) a month assistant judges (the bench is normally composed of three members) get £T 150 (£24) a month and a judge of the "tribunal de paix" £T 100 (£16). Officials are paid according to their rank at £T 40 (£6 8s) to £T 50 (£8) a month.

There is no doubt that a considerable amount of bribery takes place. If litigants do not still as in the old days recognise the absolute necessity for bribery, it is nevertheless true to say that the possibility of corruption is to-day often a factor to be weighed in the balances of an action. It is probably true that the presidents of the various higher courts are now almost always men of integrity. A propensity towards venality usually becomes known or suspected and may be presumed to militate against promotion. It is also undoubtedly true to say that there is not a great deal of petty bribery in the courts, although the system of *backshish* is rife amongst officials in whose power it is to hasten or retard the progress of proceedings. In fact one may say that bribery is the exception and not by any means the rule, except in certain cases, *e.g.*, marine collision cases. Nevertheless, bribery can be and is used throughout the Turkish judicial system not excluding the highest appeal courts in cases where the amount involved or the perils to be avoided or the ease with which it can be accomplished or some similar motive call for its use. In the course of a criminal action now proceeding in which a large sum of money is involved the writer has every reason to believe that bribery was effectively used by the other side (1) in order to induce the police to take action against the writer (2) to induce the "juge d'instruction" who, however first offered his services to the writer to find a true bill against the accused, (3) indiscriminately for the production of false evidence (4) to purchase one of the assistant judges at the trial, with the result that the latter gave a minority judgment against all the evidence before the court (5) to secure the favour of the public prosecutor personally, and (6) to influence the course of bankruptcy proceedings which had a direct connexion with the criminal case. In marine collision cases it is scarcely an exaggeration to say that bribery alone decides the issue but further reference will be made to this later.

Standard of Intelligence

The point to be noted is that the average Turk—Moslem Turk—is slow of wit, though not lacking in shrewdness or cunning, and is also naturally indolent. In the Turkish courts all posts are now reserved for Moslem Turks and the administration of justice is the loser by the removal of numbers of Christian Turks who in pre war days held many judicial posts with conspicuous success.

The Legal Profession

The standard of legal knowledge and ability is on the whole lower than is probably the case in most European countries. The Jews Greeks and Armenians, in that order are generally more able than their Turkish *confreres*. It would often be advisable if practical to employ a Turkish and a Jewish lawyer before the courts the first to withstand the tendency of the Turkish judges to maintain

discipline and conceal a failure to grasp an intricate argument by a browbeating manner and the second to supply the brains. As an instance of the above-mentioned tendency the following may be quoted. Evidence was being taken on letters of request from the high court before a court whose president had this tendency to a marked degree. The Turkish lawyer employed happened to be a Christian. He was not as a direct consequence of this fact, able to hold his own with the president and English counsel who were present were not, as a result, accorded sufficient courtesy and time to enable them to instruct their Turkish colleague during the examination of the witnesses which was mainly conducted by the president without any adequate knowledge of the intricacies of the case. The same president about the same time presided in another case where a Turkish (Moslem) lawyer had occasion to make complaints as to the court's conduct of the case of so strong a nature that the president took disciplinary measures. The Turkish lawyer had however no difficulty in justifying his conduct before the disciplinary court.

The procedure adopted in the courts allows of very little scope for forensic ability. Apart from a general legal knowledge the most useful attribute for the average Turkish lawyer is an ability to "get on" with the judges and court officials. In fact the most useful type of Turkish lawyer is the type most adequately described by the French *débrouillard*.

There is little discipline exercised by the Turkish Bar Courts much too little. Nor are lawyers, as in England, considered as responsible officers of the court.

Costs are almost invariably arranged on a percentage basis whenever a sum of money is at stake. This practice is sanctioned by the regulations. As pecuniary claims are generally grossly exaggerated by the plaintiffs on the oriental bargaining principle the practice often results in serious disadvantage to the defendant. The Turkish courts allow totally inadequate costs against the losing party.

There is practically no specialisation amongst Turkish lawyers, except in the criminal courts.

Legal Procedure

A number of criticisms may fairly be made against the legal procedure in force in Turkey. It is possibly true that the system in force is in some respects better adapted to the characteristics and standard of intelligence of the local population than another might be but it does appear that there is room for much reform to the advantage of the better administration of justice. In the first place the small court fees taken in conjunction with lawyers' costs based on a percentage with only a small payment in advance make litigation so cheap that vexatious proceedings are by no means uncommon. To this may be added the fact that it is probably the exception rather than the rule in this country for legal advisers to counsel their clients against litigation. Moreover what would be champerty in England carries no such stigma in Turkey.

Oral evidence is very little used except in the criminal courts to which reference is made below. In the civil and commercial courts it is extremely unusual for the parties to produce witnesses. The evidence is mainly documentary though recourse is quite often had to the formal oath on a specific point, the wording of the oath being prepared and the oath administered by the court, and the result of the case usually depending on whether the witness's conscience does or does not allow him to submit to the oath. The standards of veracity being what they are it is possible that examination and cross-examination of witnesses would not lead to any better results than the present system but the fact remains that justice must sometimes go astray where no oral evidence is heard. The repudiation of a signature to a document is quite an everyday occurrence whilst the suppression of false documents if not a common occurrence, would not on discovery be so sure to be followed by action by the public prosecutor as to make that possibility act as a deterrent.

Much evidence is obtained by the submission of specific points for report by experts presided over by a judge. As is remarked below in connexion with marine cases this practice opens the way to considerable abuse. It is, however, popular with judges and lawyers alike the former adding to their salaries by the fees of the *expertise* and the latter favouring the practice for various reasons immaterial to this memorandum.

Under the present heading it may be permissable to refer shortly to summary procedure, the object being merely to draw attention to the practical difficulty encountered of obtaining a summary order or injunction. A certain lack of courage and independence is to be noted amongst the judges, a tendency not to take immediate decisions, which is possibly due to the insecurity of their tenure of office under a Ministry of Justice in which judges and officials may be removed in the same way as any other civil servant.

The laws delays, due almost entirely to the nature of the procedure adopted, are not only a disgrace to the country but often a real denial of justice. The following examples are not exceptional cases, except where it is so stated. The writer has recently completed the collection of a debt of £140 after no less than ten years' litigation an exceptional case the average for a disputed collection being probably from one to two or three years. In a criminal case a serious charge was laid in 1932, but the trial before the court of first instance has not yet terminated. It is in criminal cases that the greatest injustice results from delays.

The main cause of delay is to be found in the procedure by which when the case eventually comes before the full court as distinct from the examining magistrate or the reporting judge who corresponds to our master or judge in chambers it is not heard to its conclusion and disposed of but heard item by item with adjournments of seldom less than a month and often as much as two months between hearings. Pleadings can be altered at practically any time before judgment without difficulty and new documentary evidence submitted. Delays before the court of cassation, the only appeal court are of even longer duration. The file of a case sent to the court of cassation seldom comes up for consideration for six months and often very much more. The writer now has a case of which nothing has been heard from the court of cassation for eighteen months.

These long delays between hearings and the frequent unfrequent changes amongst the three members of the bench result in the court failing to get a proper comprehensive or decisive grasp of a case and call for constant reference to the file and the minutes of previous hearings. In complicated cases the delays are liable to produce in the judges a state of mental confusion and irritation which lead to erroneous judgments.

In this connexion it may be remarked that the courts are still not so fully conversant with the intricacies of commercial problems arising out of such contracts as bills of lading, charter parties, policies of marine and other insurance &c. as they might be with advantage to the proper administration of justice.

A very well known Turkish lawyer and advocate some years ago told the writer that the first reform he would make if he had his way would be to take steps to ensure that all judgments were *motivés* that is to say considered judgments which after sifting the evidence gave the court's reasons for the conclusion arrived at. It is probable that the place of importance of this reform was exaggerated, but it is nevertheless a striking fact that few judgments in the Turkish courts, other than the criminal courts are ever of this nature. It is, in fact, normal for a judgment of several pages to contain many recitals of no importance followed by a bare statement of the court's findings. This habit no doubt springs from inherent laziness and fullness of intellect, but is none the less for that rightly a subject for adverse criticism.

Finally, it should be noted that the lower courts are under no compulsion to recognise and apply the decisions of the court of cassation. Moreover there is no comprehensive or connected system of law reports and there exist practically no Turkish commentaries of the codes and laws, though foreign commentaries are used by the legal profession in connexion with those codes (*Code civil* and *Code des Obligations*) which are borrowed directly from the Swiss codes.

Foreigners and Minorities

Generally speaking a foreigner is treated in the Turkish courts on a footing of absolute equality with a Turk and the same applies also to members of the various minorities in Turkey. In ordinary everyday litigation in the big cities this can be stated as a fact. In the provinces it is possible that a certain bias still exists and the same suspicion of bias may on somewhat rare occasions be noticed where one of the parties is a large and presumably opulent foreign concessionary company or the like. Again cases occur, where it would appear that the Government as a litigant is favoured by the courts, and sometimes there is a hint of

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intimidation in such cases. Taking it all round, however, a foreigner need have no hesitation in submitting to the Turkish courts from the point of view of differentiation in treatment. The case of the foreigner before the criminal courts presents special features and will be touched on under that heading

The New Turkish Characters

Whether or not the writer is correct in attributing a comparative lack of quick intelligence to the average Turk may be a matter of opinion. There will, however, probably be little or no exception taken to the statement that the generation which at present provides the judges and officials of the courts is greatly handicapped by an almost universal inability to make use of the new characters with any ease. This fact is undoubtedly one of the factors creating delay.

The Courts

The Criminal Court

The faults to be found in the administration of this particular branch of justice are mainly those common to all. The penal code is, however, modern and comprehensive and has been further revised this year with the object of making good certain deficiencies.

The time taken in completing trials would appear to be the most serious defect. To keep a civil litigant in civil proceedings waiting months for a decision may cause financial and other loss, but to keep an accused person in suspense for a long period is inhuman treatment. In the recent Tarragano case the accused, a British subject, had to wait about eight months from his arrest until the verdict of acquittal by the court of first instance was given. The decision of the court of cassation was unfavourable, but the first court persisted in its decision for acquittal. The court of cassation again reversed the latter court's judgment and the case is still before the lower court. In the Abalian case thirty-seven months have up to now elapsed since the charge was brought against Abalian.

Oral evidence is, of course, heard in criminal cases. The method is, however, for all examination to be conducted by the president of the court. The public prosecutor, counsel for the defence and counsel for the civil prosecutor (*partie civile*), if any, request the president to put any desired questions to the witnesses. Counsel for the civil prosecution is usually allowed very little scope, much greater freedom of comment being allowed to the public prosecutor and counsel for the defence. In view of the tendency of the courts to maintain discipline by an attitude of severity towards counsel this procedure often results in the examination failing to bring out points of importance to the issue.

The method of recording the evidence leaves a good deal to be desired, the clerk of the court often taking down a mere précis dictated from time to time by the president. A transcript of the evidence obtained later will often disclose glaring omissions and errors. The compulsory employment of the new characters does not help matters.

Notwithstanding the above suggested defects, it can confidently be said that miscarriages of justice in criminal cases are rare. It can also be stated with certainty that bribery plays no part in criminal cases, except on special occasions when the civil interest outweighs the public interest. The case of wholesale bribery quoted earlier in this memorandum occurred on one such occasion.

It is true that some years ago there were one of two cases of the murder of Jewish girls by Moslem Turks when a certain leniency was shown to the accused. There was also a fairly well authenticated case some four or five years ago of the violation of a Christian girl by Moslem Turks which resulted in her death. This case was entirely suppressed by means of threats to the girl's family and the police took no action. The writer believes that this case was reported by His Majesty's Ambassador at that time. It is probable, however, that matters have improved with the passing of time. In the Tarragano case the accused would appear to have had a very fair trial, the one blot on the case being the brutal treatment of the accused by the police with the object of obtaining confession. The writer knows of a case in which a Turkish police officer was convicted of intimidation and abuse of authority at the instigation of an Armenian householder, whom he had evicted for his own ends.

It is probably correct to say that a foreigner accused before the Turkish criminal courts will receive an absolutely fair trial. It is believed that the tendency would be, in the existing state of Turkish aspirations towards a reputation for a high degree of civilisation, for exceptional care to be taken to this effect. No leniency towards the foreigner could, however, be expected on this ground if he were convicted.

Before leaving the subject it may be as well to point out that the presence of foreign counsel with the object of assisting in the defence of a foreigner before the Turkish courts could only be of practical value in the preparation of the case and guidance of Turkish counsel outside the court. During trial it would almost certainly be considered derogatory to the dignity of the bench for or alike to allow of the delays consequent on any attempt by foreign counsel to control the conduct of the defence through an Interpreter, even if the language difficulty did not of itself present an almost insurmountable difficulty. In this connection it may be mentioned that there are a limited number of Turkish lawyers who specialise in criminal law and that in case there may be found more than one in whom every confidence could be placed for the proper defence of an accused person. It is however probably correct to say that of the specially English and that a smattering of French is most to be expected of the majority. This presents a considerable difficulty for a foreigner on trial in Turkey if he is ignorant of Turkish. Such are the foreign counsel's experience gained in other countries of little or no assistance to him. It is impossible to foresee how this question of assistance by Turkish counsel during the actual trial.

Reference has been made [illegible] to the recent reforms in the penal code. The most important of these reforms are as follows:

1. Except in cases which are sent to the heavy penalties court the public prosecutor shows discretion to dispense with the usual preliminary examination of the case by the juge d'instruction. This discretion if used should knock several months off the length of trials of all but the more serious charges.
2. It [illegible] the [illegible] to be the duty of the accused to make sure that witnesses will appear duly at trials.
3. Any party desiring a witness must give notice to this effect to the court five days before a hearing at which it is desired to call the witness.
4. Except in very special circumstances, adjournments between hearings are not to be for longer than eight days.

It will be seen that all these reforms tend to speed up the administration of criminal justice. The curtailment of the period of adjournment is a very considerable advance in the right direction.

Although out of place, it has just occurred to the writer to mention a case which occurred about a year ago which throws considerable light on the degree of interference with the courts by the authorities which is possible in exceptional cases. A Deputy (Member of Parliament) and friend of the highest in the land murdered his mistress. The writer was not allowed to get to the scene, the best available legal adviser was engaged and the case was heard not by the proper criminal courts but before a "juge de paix" in the obscurity of Scutari. A number of Deputies gave evidence as to the accused's "right" to do what he had done, the judge was intimidated (he is alleged to have risen and saluted on the entry of successive well known Deputies) and the accused was acquitted.

The Civil and Commercial Courts

Nothing need be added to the general criticisms already made, except to repeat that in commercial matters the judges are not, as yet as fully conversant with technical matters as might be desired and to comment briefly on the bankruptcy courts. [illegible] associated with these courts are one of the main blots on the administration of justice in Turkey. The cases is the black spots on the administration of justice in Turkey. The greater number of bankruptcy cases end in arrangements in fraud of the majority of creditors. This is mainly if not entirely, due to the practices of [illegible] unscrupulous debtors by a ring composed of certain responsible court officials and certain lawyers who have obtained [illegible] of the office of

"syndic" This applies, it is true, mainly to the smaller cases. In bankruptcy cases of general public interest the ring cannot operate and the interests of creditors are adequately protected

(Commercial Courts (Marine Cases)

Few marine cases involving foreign interests now come before the Turkish courts because foreign insurance interests rightly have no confidence in the local courts in this particular class of cases It is a fact that no foreign ship involved in a collision case heard by the Turkish courts since the war has obtained a favourable decision The fault lies almost entirely with the procedure adopted by which the court practically hands over the essential question of a responsibility to so called experts. The latter are as a general rule inexpert and venal to a degree and most cases end in a compromise forced on underwriters for fear of a heavier loss Arbitration likewise and for somewhat similar reasons finds no circumstances propitious to its growth in this country

Probate and Divorce

Whilst the same general criticisms have equal application to these courts it may be said that probate or administration is normally obtained rapidly and in equitable manner and that divorce matters are, so far as the writer's experience goes, dealt with commendable simplicity and expedition

Conclusion

Doubtless close association over a long period is liable to cause one to dwell on the defects of a system and to forget the virtues, a fact which will account to some extent for the preponderance of criticism in this memorandum It is nevertheless, considered that very considerable progress has been and is being made in the administration of justice in Turkey that taking it by and large judgments and verdicts are well on the side of justice and equity and that cases of real miscarriage of justice are rare and are rarer as time goes on

W P

Istanbul September 25 1936

[E 7008 129/44] No 74.

Mr Morgan to Mr Eden.—(Received November 9)

(No. 545.)
Sir *Angora, November* 3, 1936

IN my despatch No. 542 of the 2nd November I had the honour to transmit to you a translation of the remarks made by the President of the Republic on the 1st November before the Grand National Assembly, on the subject of Turkey's international relations. So far as domestic affairs were concerned, M Atatürk exhorted the Deputies to pay especial attention to the following matters —

(1) New possibilities of hydraulic development.
(2) The operation of the Land Law "It is absolutely essential," said his Excellency, "that every Turkish family shall own the land they cultivate and from which they make their living"
(3) Commercial relations. "Where facilities are granted to our exports we do not object to an increase in imports, we do our utmost to augment and facilitate them"
(4) Rational exploitation of the country's coal resources.
(5) A large reduction in the taxes on petroleum and its derivatives.
(6) National defence with particular reference to the development of the air arm, and preparations against air attack (This part of the speech was greeted with loud applause.)

2 The President also laid great stress on the necessity of developing education and a knowledge of the arts He again claimed that his country was "the mother of world culture" (see Sir P Loraine's despatch No 38 of the 18th January), and that the recent archæological researches of the Association for the Study of Turkish History were such as to call for the revision and for fresh study of the history of that culture. The results of the Turkish language congress in August (see my despatch No. 472 of the 12th September) were described by his Excellency as brilliant.

3 I am sending a copy of this despatch to the Department of Oversea Trade.

I have, &c.
JAMES MORGAN

[E 7028/26/44] No. 75.

Sir G Clerk to Mr. Eden. (Received November 10.)

(No. 1451)
Sir, *Paris November* 9, 1936.

I HAVE the honour to report, with reference to my despatch No. 1192 of the 15th September, that His Majesty's Minister to-day signed the *procès-verbal* of the ratification of the Montreux Convention on behalf of His Majesty's Government in the United Kingdom, and His Majesty's Government in the Commonwealth of Australia. The *procès verbal* was signed simultaneously by the representatives of all the other Governments adhering to the convention with the exception of the Japanese Government, whose original instrument of ratification has had to be returned to Tokyo for amendment.

I have, &c.
GEORGE R. CLERK

[E 7078/129/44] No 76

Mr Morgan to Mr Eden (Received November 12)

(No 547 (Confidential)
Sir, *Angora, November* 5, 1936

I HAVE the honour, with reference to Sir P Loraine's despatch No 554 of the 1st November 1935, to inform you that, on the occasion of the 13th anniversary of the Turkish Republic, the usual celebrations took place throughout the country

2 Angora was *en fête* for three nights, the town being illuminated and decorated as last year On the 20th October the President of the Republic held his usual reception, at the building of the Grand National Assembly The Diplomatic Body, who were invited (or, rather, summoned) for 11 30 A M., were received by his Excellency towards 12 30, after all the Turkish officials and personalities had been presented the Afghan Ambassador, doyen of the Diplomatic Corps, following closely on the heels of the managers of the Turkish Gas and Electricity Companies.

3 Immediately after the reception the usual review was held in the now nearly completed stadium From the enclosed note by the military attaché to this Embassy on the military aspects of the review it will be seen that a generally high standard of smartness and efficiency was attained by the naval, military and air units which took part. Interesting features were a display of aerobatics by a Turkish lady aviator and a demonstration by fifteen parachutists, who descended simultaneously from three aeroplanes a feat carried out without mishap although a young Turkish schoolgirl unfortunately had been killed in the course of a practice descent before the display This brought the number of casualties for the day to four, three persons having been fatally injured during a rush at the opening of one of the gates of the stadium

4 In the evening a ball was given at the Angora Palace Hotel by the People's party, at which the President of the Republic was present and to which the Diplomatic Corps was invited together with several hundred leading persons in the Turkish official world M Kâmal Atatürk was in high spirits and spent much of the evening sitting in the ballroom surrounded by a group of intimates and haranguing the Yugoslav and Soviet officials present Among these were

M Stoyadinovich (see my despatch No. 543 of the 2nd November) and General Eidemann president of the Soviet Aviation League, on whose visit I am reporting separately. The theme of the President's discourse was an exhortation to Soviet Russia and Yugoslavia to cultivate closer relations; it was not especially well received. Some amusement was caused when M. Ataturk embraced the Belgian Minister, who fervently returned the salutation and lost no time in describing the event to his colleagues. While much gratified by what he regarded as a high testimony of the presidential esteem, M. Raymond was doubtful whether he should report it to his Government for fear lest they might decide never to withdraw from Turkey a person so clearly *gratissima*.

5. The general impression left by the various events connected with the celebrations was that the passage of the defence forces in the streets and at the review aroused the greatest enthusiasm among the crowd, and that the appearance of Atatürk was everywhere greeted with hearty and what appears to be spontaneous applause.

I have, &c.
JAMES MORGAN

Enclosure in No. 76

Minute

THE parade, which was one of the main features of the 29th October, was of great interest as a demonstration of the state of efficiency which the army has attained. Units taking part included three infantry regiments (one formed by the cadets of two military colleges), one cavalry regiment, one artillery regiment, and armoured car unit, a tank unit, a unit of infantry "portées" with anti-aircraft troops, field artillery, a naval detachment, an air force detachment, about seventy aeroplanes, scouts and students of both sexes and representatives from all over the republic also took part. The total number of troops on parade was approximately 5,000, students and scouts numbered about 2,000, and peasant representatives also about 2,000. The troops marched past very well. Cavalry were well mounted. Artillery of all kinds, anti-aircraft, field and heavy, were camouflaged or dazzle painted and drove past with precision. The aircraft formations were ragged, and two machines actually touched, but escaped accident. A feature of the parade was the steadily marching and good bearing of the scouts and students. The parade as a whole showed good staff work on the part of Headquarters 8th Division, which appears to have been responsible for the organisation. Furthermore, it demonstrated the fact that, though the troops were by British standards somewhat ragged (smartness is not a major item in the Turkish military curriculum), the army has achieved considerable progress in the staging of such displays. The impression left on spectators was excellent.

A. ROSS

[E 7079/7079/44] No. 77

Mr Morgan to Mr Eden.—(Received November 12.)

(No. 555.)
Sir, *Angora, November 7, 1938.*

I HAVE the honour to inform you that in the past few days I have been able to observe an attitude of criticism and certainly of general coolness, towards Germany on the part of the Turkish Minister for Foreign Affairs.

2. During a reception given on the 30th October in honour of the Yugoslav Prime Minister the German Ambassador approached Dr. Aras, with whom I was talking, and was at pains to impress on him that there was nothing more in the visit of Count Ciano to Germany than the official communiques had revealed, that there was nothing binding either nation, but that both would move on parallel lines in the future. The Ambassador went on to say that the visit was in harmony with Germany's idea of separate understandings with each foreign nation.

Dr. Aras, after stating that Turkey had no sympathy with fascism nor with communism, although there was good in both, remarked that if Germany favoured bilateral understandings, she no doubt could not but approve the Franco-Soviet Pact. The German Ambassador found himself unable to agree to this.

3. During the course of a call which I made on Dr. Aras yesterday, he received a telephone message from the Vali of Istanbul in regard to the German warship *Emden*, which is now paying a visit to that city. Dr. Aras took the opportunity to explain to me that the vessel had come to Istanbul after a visit to Bulgaria, and plainly showed that he was displeased at this, and that he would have preferred that the ship should have called at Istanbul on its way to the Black Sea rather than on its return. He then went on to say that the German Ambassador had, some time ago, informed him of the wish of the German Government to transport the German war dead from Gallipoli Peninsula to Istanbul, the bodies to be carried in the *Emden*. The Turkish Government offered to transport the bodies, with all honours, but this was refused. The refusal seems to have annoyed Dr. Aras, who had then tried to dissuade the German Embassy from carrying out the plan, on the ground that the world, after having been told by Germany that she had been the backbone of the Turkish resistance at the Dardanelles, would now learn that the total number of Germans who had died there, and whose bodies it was proposed to transport, was only twenty. This objection had no effect.

4. Dr. Aras then said that the telephone message he had just received was to the effect that the local authorities of Istanbul had received an invitation from the officer commanding the *Emden* to a reception on board on the afternoon of the 7th November. Another invitation, for the same day and hour had also been received by the local authorities from the Soviet consulate general in connexion with a reception to be given for the anniversary of the 1917 revolution. What were the local authorities to do? Dr. Aras had directed that they should attend the Soviet reception and send an official to the *Emden* to excuse the absence of the Turkish authorities. Dr. Aras explained to me that he had, a few days ago, conveyed a hint to the German Embassy that he would prefer that the *Emden* reception should not be given on the same day as the Soviet reception. As his hint had been ignored, he saw no necessity for going out of his way to secure the presence of the Turkish local authorities at the German reception.

5. Passing from this incident, Dr. Aras said that Herr Aschmann, formerly counsellor at the German Embassy in Angora, and now, I understand, Director-General of the Press at the German Ministry for Foreign Affairs, was on a visit to Angora, and had asked Dr. Aras why Turkey was more friendly to two former enemies, Great Britain and Russia, than to Germany, her old ally in arms. Dr. Aras replied that Turkey nourished friendly feelings to Germany and did not forget her past services, although Germany had helped Turkey very little in the years immediately following the war, but that in the first place Turkey had an old tradition of friendship with Great Britain, based on mutual interests—a friendship that even the war had not succeeded in destroying; and, in the second place, Russia, liberated from Tsarism, had proved herself a friend in need to Turkey. Herr Aschmann wished to reproach Turkey for her friendliness to old foes who had always been straightforward with her, what was Dr. Aras to say to Germany who had made friends with an old foe who had stabbed her in the back and whom Herr Aschmann himself had often described as faithless and treacherous?

6. To sum up, the general impression given me by Dr. Aras was that, for him, Turkey's friendship with Russia and Great Britain took precedence over all other friendships, and that his attachment to Russia induced in him a certain hostility to Germany, which inclined him not to overlook even trivial matters which could be construed into German slights on Turkey.

7. I am sending a copy of this despatch to His Majesty's Ambassador in Berlin.

I have, &c.
JAMES MORGAN

[E 7340/89/44] No. 78.

Sir P Loraine to Mr Eden —(Received November 24)

(No 165.)
(Telegraphic) *Angora, November 23, 1936.*

THE Minister for Foreign Affairs expects that Dr Schacht will succeed in doing business with the Persians during his visit to Tehran and will be launching enterprises there that will necessitate a considerable traffic of material and goods from Germany to Persia, the natural route for which would be via the Danube and Trebizond Although the Turks have been at work for some time recently to improve Trebizond Tabriz road, if possible to the frontier (see Consul Matthews's despatch No 17 to Department of Overseas Trade and previous correspondence) the route still requires organisation to carry any volume of traffic and port works must be undertaken at Trebizond

Postulating the accuracy of his prediction Minister for Foreign Affairs foresees that unless an adequate Turkish organisation exists for handling this traffic when it materialises, from the mouth of the Danube to Tabriz the Germans will insist on being allowed to create organisation themselves

The Minister for Foreign Affairs does not wish any such organisation to be in the German hands he does wish it to be in Turkish hands, he thinks it would be wise to take time by the forelock he would prefer British assistance to any other for the purpose

Openings would be (1) port works at Trebizond which, according to Minister for Foreign Affairs would not be either very difficult or very expensive (2) two or three ships to ply between the mouth of the Danube and Trebizond (3) lorries to ply inland from Trebizond

This seems to me exactly the kind of business that could suitably be taken in hand by Anglo Turkish Construction Company formation of which is contemplated in the preliminary contract very recently signed in London between Sir Alexander Gibb and Partners and representatives of Ish Bank whereby the former are to act as consulting engineers for all kinds of industrial development in Turkey

Opening seems to me a promising one and I should be glad to know whether in your opinion it could usefully be followed up, and also whether you would have any objection to my discussing its possibilities with Sir A Gibb (or his representative) who is, I understand, likely to visit Angora in the near future

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[E 7336/89/44] No. 79

Sir P Loraine to Mr Eden. -(Received November 24)

(No. 166.)
(Telegraphic) *Angora, November 23. 1936.*

MY despatch No 18 E, p. 30 of enclosure

Turkish Minister for Foreign Affairs tells me that agreement has been reached and will very shortly be formally concluded with French Embassy, for purchase by Turkish Government, for a sum of approximately £T 3 million. of French proprietary rights in Zunguldak coal-fields.

This sale places the whole Black Sea coal basin under exclusive control of Turkish State.

[E 7353/628/44] No. 80

Sir P Loraine to Mr Eden -(Received November 24.)

(No. 168 Confidential)
(Telegraphic) *Angora, November 24 1936*

Dr. SCHACHT was received by the President of the Turkish Republic during his recent stay at Angora and presented to his Excellency a portrait of Herr Hitler

The Turkish Minister for Foreign Affairs and, exceptionally, Minister of National Economy were present at the audience, and the former has kindly summarised the proceedings for my confidential information as follows

1 Platonic exchange of personal compliments and courtesies.

2 Dr Schacht under specific personal instructions from Herr Hitler, gave an assurance that Germany had not entered into any Mediterranean combination and did not propose to do so

3 The President took note of 2. He explained to Dr Schacht that good political relations with Russia were a necessity for Turkey, and that Turkey would continue to cultivate them Turkey did not fear for herself any contamination of Communist ideas and could and would crush them if they made their appearance in Turkish territory (the Minister for Foreign Affairs added this was, of course quite clearly understood in Moscow)

4 Dr Schacht said that he appreciated Turkey's reasons for cultivating friendly political relations with Russia Unfortunately civilised Germany, with her severe economic difficulties her poverty and her large industrial population was far less immune from the Communist virus than Turkey and was obliged to take her measures accordingly Russo-German relations might not, however, necessarily remain as bad as they were to day Possibility of some improvement in economic domain was now being considered in Berlin

(Repeated to Berlin by Foreign Office, No 226)

R 7071/6661/21 No 81

Sir I Loraine to Mr Eden -(Received November 24)

(No 109 Most Confidential)
(Telegraphic) *Angora November 24, 1936*

THE Minister for Foreign Affairs has been good enough to explain to me confidentially the following circumstances —

Not long ago a proposal was put forward emanating from Prague to make the alliance between the three States composing the Little *Entente* now only operative in the case of Hungary generally operative in all eventualities It was at the same time pointed out that such an alliance between Czechoslovakia Yugoslavia and Roumania was not strong enough to carry out the obligations involved in all circumstances and would need the adhesion of one Great Power to give it the necessary military strength

Roumania was willing to concur the French Government no doubt sounded simultaneously from Prague as being the Great Power indicated for the purpose, were also willing to adhere The Yugoslav Government did not like the idea and have not yet returned an answer but did consult their Turkish friends and allies

The result of this consultation has been a decision between the Yugoslav and Turkish Governments to the effect that—

1 Yugoslavia will not enter such an alliance.
2 Yugoslavia and Turkey will pursue a non-front policy based on the policy of that nature which is being pursued by His Majesty's Government and following the lead of United Kingdom in implementation of that policy so far as His Majesty's Government permit them to do so.
3 Neither Yugoslavia nor Turkey will join either a Franco-Russian front or an Italian German front.
4 Neither Yugoslav nor the Turkish Government will enter any general engagements of the nature suggested without close and frank consultation with the other Only consultation, however, is required, the consent of the other party to acceptance of a general engagement after such consultation is not indispensable

I have no doubt that the Prince Regent of Yugoslavia will have informed you of these circumstances. The Turkish Minister for Foreign Affairs also told me that His Highness, on his return journey to Belgrade would not stop in

Paris, as he wished to avoid any suggestion being made to him by the French Government that Yugoslavia should participate in an alliance of the nature proposed.

The Turkish Minister for Foreign Affairs further informed me that it is the intention of the Yugoslav Government *only* to renew their Treaty of Consultation and [group omitted] with France, which expires in the next few weeks.

(Repeated to Belgrade.)

[R 7026, 226/22] No. 82

Mr Eden to Sir P Loraine (Angora)

(No. 156.)
(Telegraphic.) R *Foreign Office, November 24, 1936*

I TOLD Turkish Ambassador on 23rd November that in view of certain press reports of Anglo-Italian negotiations, I was anxious to make present position clear to him. In entering upon these conversations there was no intention in our mind, nor I felt confident in that of Italian Government of coming to any arrangement either at the expense of or affecting in any way our good relations with a third party. Our sole object and in this also I thought Italian Government were in agreement was to bring about a lessening of recent tension and a general improvement in our mutual relations. Neither side were contemplating at all in one or the other part but I felt sure Ambassador would agree that any conversations tending to an Anglo-Italian *detente* were to be welcomed.

2. His Excellency thanked me and I felt sure this communication would be very welcome to his Government. They certainly had never suspected for a moment that we would foresee any action detrimental to our existing friendships but they would not be the less welcome any negotiations leading to an improvement in Anglo-Italian relations.

(Addressed to Angora No. 156. Repeated to Rome No. 443.)

[R 7079/294/67] No. 83.

Sir P Loraine to Mr Eden (Received November 25.)

(No. 170. Very Confidential.)
(Telegraphic.) *Angora, November 24, 1936.*

TURKISH Government being already well aware (*a*) that His Majesty's Government propose not merely to maintain, but also to strengthen, their naval position in the Mediterranean (*b*) that His Majesty's Government are unwilling to enter into pacts or other paper engagements, (*c*) that they are not prepared at this juncture of [group undecipherable] near future to enter into discussions for any comprehensive treatment of Mediterranean problem, and having myself had the advantage when you received me in London of hearing your own views on Mediterranean question I have taken the opportunity of private conversation both with Turkish Prime Minister and Turkish Minister for Foreign Affairs, to suggest on my personal responsibility desirability for the Turkish Government of following a policy in their relations with Italy as regards the Mediterranean similar to that of His Majesty's Government viz. to avoid all unnecessary friction, and, *a fortiori* provocation, to treat any difficulties that exist or may arise in a generally urbane and conciliatory manner and without running after Italian goodwill or deviating from established national policy to remove such asperities and ensure such smoothness in relations as is possible.

Turkish Minister for Foreign Affairs informed me yesterday evening that he had himself advocated these views at the last Cabinet meeting and that Cabinet had adopted and endorsed them.

I very much hope that in speaking in this way I have correctly interpreted your own ideas and that you will feel able to approve my language for my satisfaction at all events for it would not now be wise for me to quote a formal approval to Minister for Foreign Affairs [group undecipherable] Turkish Cabinet has taken its decision.

[R 7080/7060/21] No. 84.

Sir P Loraine to Mr Eden — (Received November 25.)

(No. 171. Very Confidential.)
(Telegraphic.) *Angora, November 24, 1936.*

I AM confidentially informed by the Turkish Minister for Foreign Affairs that Turkey, besides her agreement with Hungary of neutrality and non-assistance to an aggressor and an arrangement for exchange of political information, also has an understanding with Hungary set out in a *procès-verbal*, whereby the parties respectively renounce all intention or attempt to bring about restoration of Ottoman Empire or of Austro-Hungarian monarchy.

If, therefore, there were to be a monarchical restoration in Austria-Hungary is pledged to Turkey to oppose recreation of dual monarchy and Otto, if crowned in Vienna, would not be crowned in Budapest.

Minister for Foreign Affairs is, moreover, confident that Hungary will honour this engagement.

He himself believes that to-day Hungary's political sympathies are most closely linked with London and her economic interests most closely with Berlin.

He fears that during the Regent's visit to Rome, Italian patronage of Hungary's aspirations might manifest itself in some form far more likely to embarrass Hungary than to help her.

(Repeated to Budapest Saving, and Vienna Saving.)

C 8428/99/18] No. 85

Sir P Loraine to Mr Eden (Received November 25.)

(No. 172. Confidential.)
(Telegraphic.) *Angora, November 24, 1936.*

MY telegram No. 168.

Turkish Minister for Foreign Affairs also gave me some account of his own talk with Dr. Schacht. As so often happens it was rather like a futurist picture, but I think the following thread emerges with tolerable clearness.

Dr Schacht: "What preoccupies us most in Germany in general international situation is that there still seems a good deal of tension between England and Italy in the Mediterranean."

Aras: "We do not hold such a pessimistic view on this subject as you appear to do. There are signs of a *detente* and we are not anxious. But do you think you in Germany and we in Turkey have profited *enough* by our experience between 1914 to 1918?" (meaning that States who conduct a policy that runs across that of British Empire are unlikely to get away with it).

Dr Schacht: "Perhaps we have not, but I can assure you that our desire for best relations with England is very genuine."

Aras: "I do not doubt it. I am also quite convinced of the sincerity of England's desire for the best relations with Germany so long as you help and do not hinder her policy of pacification, security and economic revival. But are you helping your own object by all this insistence on colonial possessions for Germany?"

Dr Schacht: "Our financial and economic position is still extremely difficult."

Aras: "Would financial assistance be equally valuable to you?"

Dr Schacht: "If I saw my way to a loan perhaps I might think differently but I do not and I certainly cannot place myself in position of asking favour."

To Minister of Justice, himself a skilled financier Dr. Schacht also spoke of Germany's financial difficulties and went so far as to hint at eventual repudiation of the Dawes and Young Loans.

Minister of Justice quickly asked whether Dr. Schacht would take such a view if Germany were creditor (which to a certain extent she is in respect of Turkey). Dr. Schacht said "Perhaps not but I should accept a negotiation."

(Repeated to Berlin by Foreign Office.)

[E 7872/2006/44] No. 86.

Mr Morgan to Mr Eden (Received November 26.)

(No 561 L.)
Sir *Angora, November 10, 1936.*

I HAVE the honour, with reference to Sir Percy Loraine's despatch No. 180 E of the 30th March last to transmit to you the accompanying copy of a despatch from the acting British consul general at Smyrna (1) recording the visit which the Turkish Prime Minister paid recently to Smyrna and its neighbourhood in order to investigate the position as regards the cultivation of cotton.

2. It is stated in the press that as a result of his tour General Ismet Inonü now intends to devote all his energy to the intensification of agriculture, and talks of spending £T 250 million on irrigation and other agricultural schemes, which will include the following:

(*a*) The construction of irrigation works on the Greater Meander River and the drainage of lakes and swamps through which the river flows.

(*b*) The construction of irrigation works on the Little Meander River and the drainage of swamps.

(*c*) Drainage and irrigation in the neighbourhood of Manissa, Akshehir, Susigirlik, Adana, Cassarova, Bafra and Carsamba.

3. In the view of the commercial secretary of this Embassy it is curious that after so many years Gerenn Ismet Inonü only now appears to have realised that Turkey is essentially an agricultural country and that more should have been done to develop agriculture. Colonel Woods believes that with the development of the textile industry and the present demand for Turkish cotton by both Germany and Russia the intensification of cotton growing should be a good investment for the time being, and that this should also be the case as regards other agricultural produce so long as commerce is agreements based on the clearing system constitute the country's economic policy, and so long as there are frozen credits lying in the Central Bank as a result of those agreements. On the other hand Colonel Woods fears that the time may come when the Turkish Government will find that the demand for Turkish products has declined and that the expenditure to be voted for the development of agriculture is not as good an investment as was foreseen unless General Inonü is able to carry out his declared intention of cutting down by 30 per cent. price levels, for a number of Turkish products are above world prices (see paragraph 5 of Mr Wilkinson's despatch). In that case the allocation of so large a credit for the development of agriculture may perhaps be justified.

4. In this connexion it may be observed that a certain Herr Pabst, who is described in the local press as the Director of the German Cotton Imports Control Office, recently carried out extended tours in the neighbourhood of Smyrna and in a statement to the press declared that, while Germany had been buying Turkish cotton at much above world parities, there was a limit to the premium which she was prepared to pay. It is possible that General Inonü had the warnings of Herr Pabst in mind in announcing the need for a reduction in prices.

5. While there appears to be no doubt that the Turkish Government are determined to intensify agriculture, especially cotton growing, and that a credit is to be found for this purpose, doubts have been expressed to the commercial secretary of His Majesty's Embassy in well informed quarters whether it will be possible to allocate so large a sum as £T 250 million for the purpose. If, however, such a sum were in fact to be allocated it would probably have to be spread over a much longer period than the five years mentioned in the Turkish press, nor is it clear whence the money is to be derived unless the Turkish Government resort to increased taxation.

6. I am sending a copy of this despatch (less enclosure) to the Department of Overseas Trade.

I have, &c.
JAMES MORGAN.

(1) Not printed.

[E 7374/625/44] No. 87

Mr Morgan to Mr Eden.—(Received November 26.)

(No. 570 E.)
Sir, *Angora, November 15, 1936.*

I HAVE the honour to inform you, with reference to Sir P. Loraine's despatch No. 391 E. of the 23rd July regarding Turco-German commercial relations, that I called on the 14th November on the Secretary General of the Ministry for Foreign Affairs, and asked him whether he could give me any information about the imminent visit of Dr Schacht to this country.

2. M. Numan Menemencioglu replied that Dr Schacht had recently paid a visit to the Balkans. At that time he had sent word to the Turkish Government to say that he had intended to visit Turkey, that he had, however, found it impossible to do so on that occasion, but that he would come later. The Turkish Government, M. Numan Menemencioglu continued, were not disposed to accept that proposal without laying down conditions. They had accordingly informed Dr Schacht that they would be pleased to welcome him, but that during his visit he would be expected to take some steps as regards the formidable amount of Turkish money which was lying blocked in Berlin.

3. The blocking of this money in Germany, M. Numan Menemencioglu said, had resulted in Turkey paying off her debts to Germany in many cases to the great astonishment of the creditors, and there was still a large amount to be liquidated. Dr Schacht would be accompanied by other personalities, notably representatives of the Ministry of Economy and a chief of the Exchange Department of the German Government.

4. M. Numan Menemencioglu added that, while the blocking of Turkish money in Germany was giving Turkey a good deal of anxiety he would have felt no such anxiety if some of Turkey's money were blocked in London for he wished to see Turkish trade develop with the United Kingdom, and the locking of some Turkish funds there would lead Turkish buyers to adventure into the United Kingdom market to become accustomed to trading with the United Kingdom and thus to be moved out of the groove into which they had fallen of trading solely with one or two other countries.

5. I am sending copies of this despatch to His Majesty's representative at Berlin and to the Department of Overseas Trade.

I have, &c.
JAMES MORGAN.

[E 7283/625/44] No. 88

Sir P. Loraine to Mr Eden (Received November 26.)

(No. 173.)
(Telegraphic.) *Angora, November 25, 1936.*

MY telegrams Nos. 168 and 172.

I trust the following views, necessarily conjectural, which I have myself formed of the objects of Dr Schacht's recent visit to Angora may be of some use. Except in the case of economic matters they are based on the assumption that Germany is to-day thinking anew in terms of a German [? world] policy —

1. To ascertain whether and how Germany can strengthen her economic hold on Turkey with a special eye on rendering Turkey's mineral resources available for German industry.

2. To ascertain extent and significance of recent growth of British political and economic interests in this country.

3. To allay any apprehensions that might have been engendered in the Turkish mind by Germany's recent and probably rather [? indecent] [? flirtatious] with Italy.

4. To ascertain whether and to what extent Turkey was pledged or committed, and whether there is a combination economic or military, group undecipherable] Soviets themselves.

5. To judge whether, if Germany were once again to cast covetous eyes eyes towards the east, Turkey could be induced once more, by persuasion or pressure, to stand by Germany's side.

I hope Dr. Schacht will have at least realised that answer to 5 will be a categorical negative.

Please repeat to Berlin.

(Repeated to Berlin, No. 56, Saving, by Foreign Office.)

[E 7429/625/44] No. 89.

Sir P. Loraine to Mr. Eden.—(Received November 27.)

(No. 174.) (Telegraphic.) *Angora, November 27, 1936.*

MR. MORGAN'S despatch No. 561 E. and my telegram No. 165.

I gather that the general proposals by Dr. Schacht that Germany should afford unlimited credits to Turkey for industrial development, repayment being effected by surplus produce ensuing therefrom, were firmly but politely declined.

There was one somewhat more specific proposal, however, which the Turks are prepared to examine from technical point of view. It is broadly to the effect that Germany should supply to Turkey all plant, machinery, plans, &c., for irrigation of fertile plain of Adana and perhaps also of the plain of Konia. The principal object would be presumably the cultivation of cotton, and Germany would accept cotton in repayment. Turkish estimation of total cost of such an enterprise would be in the region of £T. 300 million or £T. 400 million.

When asked by the Turks to state at what rates German material, &c., would be costed, and at what rates the eventual cotton would be credited, Dr. Schacht contented himself with expressing the conviction that everything possible would be done to give Turks a satisfactory bargain.

[E 7430/625/44] No. 90.

Sir P. Loraine to Mr. Eden.—(Received November 27.)

(No. 175.) (Telegraphic.) *Angora, November 27, 1936.*

MY telegrams Nos. 168 and 172 and 173.

The French Ambassador came to see me yesterday evening and we had a long talk on matters of current local interest.

He considers Dr. Schacht was disappointed at the results of his visit to Angora. He avers that Dr. Schacht endeavoured to ascertain whether Turkish Government would be prepared to join German-Japanese anti-Comintern front, but that he received no encouragement whatsoever. (This would explain more clearly the account which I telegraphed you of Dr. Schacht's conversation with the President of the Republic.)

The French Ambassador further asserted that Dr. Schacht enquired whether German assistance would be useful to Turkish Government with regard to question of Alexandretta zone, and that in this again he met with no success. Postulating the truth of this, I consider that in the present state of Turkish mentality an approach by Dr. Schacht in this connexion was not merely an imprudence, but also an impertinence. For the rest, my French colleague's conclusions were not very dissimilar from those which I had formed myself and reported to you. The French Ambassador had the further impression that Dr. Schacht's soundings were taken here with considerably more tact and discretion than are usually employed by the Germans; also that, although the Turks seemed perfectly polite, Dr. Schacht got very little change out of them.

[R 7079/294/67] No. 91.

Mr. Eden to Sir P. Loraine (Angora).

(No. 164.) (Telegraphic.) *Foreign Office, November 30, 1936.*

YOUR telegram No. 170 of 25th November: Sir P. Loraine's conversations with the Turkish Prime Minister and Minister for Foreign Affairs.

I approve your language.

[E 7340/39/44] No. 92.

Mr. Eden to Sir P. Loraine (Angora).

(No. 165.) (Telegraphic.) R. *Foreign Office, December 2, 1936.*

YOUR telegram No. 165 of the 23rd November: Development of Trebizond–Tabriz trade route, last paragraph.

I agree.

[E 7537/39/44] No. 93.

Department of Overseas Trade to Foreign Office.—(Received December 3.)

THE Comptroller-General of the Department of Overseas Trade presents his compliments to the Under-Secretary of State, Foreign Office, and transmits herewith copy of despatch O.T.B. No. 347 from the commercial secretary, Istanbul, dated the 19th November, respecting industrial enterprises in Turkey.

Department of Overseas Trade,
December 2, 1936.

Enclosure in No. 93.

Colonel Woods to Mr. Eden.

(Overseas Trade (B) No. 347/36. Confidential.) *Istanbul, November 19, 1936.*

Sir,

I HAVE the honour to acknowledge receipt of your despatches Overseas Trade No. 287 of the 6th November and Overseas Trade No. 295 of the 14th November relative to United Kingdom participation in industrial enterprises in Turkey.

2. Mr. D. G. Somerville, M.P., whose name was mentioned by Mr. Crabbe, called on me during his recent visit to Turkey, but his visit was not of an official character or in connexion with a parliamentary congress, and was concerned primarily with the construction of houses in Angora (see the Department's despatch Overseas Trade No. 215 of the 4th August).

Mr. Somerville did not discuss port construction schemes with me, but it is possible that he was approached in this connexion when in Angora, and he made no reference to any report on conditions in Turkey which he proposed to draw up for the President of the Board of Trade.

3. It is somewhat difficult to express an opinion as to the priority which the Turkish Government attach to the various schemes outlined by Mr. Crabbe, as, in general, the Government have already incurred financial obligations up to the limit of their present capacity of payment and the fulfilment of future schemes is at any time liable to be upset by imperative demands for armaments from the General Staff.

4. To this extent, therefore, the Turkish Government's own view as to the relative priority of outstanding industrial and public works undertakings is bound to be influenced by the long-term credit facilities which foreign firms are prepared to extend in respect of any one of these schemes.

5. As regards the order of priority from the point of view of the United Kingdom, I do not altogether share the view of the Department that it is of primary importance that the construction of Turkish ports should not pass into foreign hands owing to the fear that foreign control of these ports, through which Turkish minerals must necessarily be shipped, might prejudice the operation of the iron and steel contract. As the Department is aware, the Turkish Government, whilst welcoming financial and technical assistance from abroad, are extremely sensitive to any hint of foreign control, and it is most unlikely that any foreign firm which might obtain a contract for the construction of a port would be given any measure of control, or even any right of supervision, in the subsequent administration of that port.

6. For this reason I should be inclined to place the relative order of priority, from the point of view of the United Kingdom, of Turkey's various projects as follows:—

(1) Obtaining orders for the equipment of Turkish military factories and technical supplies for the Turkish army. These orders would probably be looked upon as a first charge by the Turkish Government, they will call for frequent renewals and would ensure that practically all the cost of the contract involved would be utilised in labour and materials in the United Kingdom.

(2) Port construction. I do not wish in any way to minimise the importance to the United Kingdom of securing contracts for the construction of Turkey's principal ports which would require large quantities of material and equipment, but such contracts are, to my mind, a less attractive proposal than those under (1) above, for the following reasons:—

(*a*) They would involve a greater capital;
(*b*) Only a relatively small portion of the value of the contract would be expended in material in the United Kingdom;
(*c*) They would probably call for a much longer period of credit.

(3) The construction by the United Kingdom of a portion of Turkey's mercantile marine.

7. As the Department is aware, the Turkish Government have already placed a contract for the smaller vessels in their present shipbuilding programme with the Schichau shipyards of Danzig, but they are most anxious to place the contract for the larger ones in the United Kingdom. Messrs. Swan, Hunter and Wigham Richardson's negotiations have so far been inconclusive, owing to the difficulty of obtaining a sterling guarantee in respect of the sterling conversion of the bonds in which payments will be made.

8. I will endeavour to obtain precise information as to the technical requirements of Turkey's military factories under the heading of machinery and machine tools, but I anticipate that this information will be difficult to obtain.

9. In any consideration of United Kingdom participation in schemes such as the above Turkey's capacity for payment will necessarily be a controlling factor.

10. Dr. Schacht, the German Minister of National Economy, is at present in Angora and will no doubt do his utmost to secure public works contracts for heavy industries in his country, probably with some form of direct Government support, or by means of an indirect subsidy.

Dr. Schacht is reported to be studying economic and financial conditions in Turkey at the present time and is in direct contact with the Minister of National Economy and Turkish Government banks.

He is interested in Turkish public works schemes and industrial development, and I fear that, even at this late stage, he will do his utmost to prevent the Karabuk iron and steel industry being placed in the United Kingdom.

11. As reported in my letter to Mr. Farrer of the 20th October, the Krupp consortium were extremely perturbed at the failure to secure this contract themselves, and it is quite possible that Dr. Schacht will put up an offer which may seem to the Turkish Government more advantageous than that of Messrs. H. A. Brassert.

12. Mr. Reid, late director-general of the Ottoman Bank, and Mr. Richards, of Metropolitan-Vickers (Limited), have just arrived in Turkey in connexion

with the contract and equipment of the port of Eregli, but I fear that they will meet with a difficulty similar to that of Messrs. Swan, Hunter and Wigham Richardson, namely, payment in sterling, unless their proposals, which are no doubt known to the Department, are accepted by the Turkish Government.

13. It is obviously quite impossible at this juncture to determine, in the event of Messrs. Brassert securing the iron and steel contract, whether any surplus would be available from the Comptoir after the financial requirements of their contract have been satisfied.

14. On the other hand, the present state of commercial exchanges between the United Kingdom and Turkey offer no hope that Sub-Account "A" can bear any additional burden such as would be imposed upon it were substantial orders for machinery and equipment to be placed in the United Kingdom. The sum of approximately £1 million is already blocked and there is no apparent hope that this amount can be materially reduced, at all events, for the time being.

15. In these circumstances it appears to me that the only solution possible is in the hands of His Majesty's Government themselves. On the hypothesis that it is impossible to finance additional undertakings on the basis of our present trade exchanges with Turkey, the only way out of the *impasse* is an industrial loan from His Majesty's Government. Such a loan would fortify the cordial feeling of friendship which Turkey entertains for the United Kingdom and would secure for us a valuable political stake in the country, but whether the political considerations involved are considered to be deemed to be of sufficient importance to justify such a loan is a problem which it is, of course, outside my province to decide.

I have, &c.
HAROLD WOODS.

[E 7695/39/44] No. 94.

Sir P. Loraine to Mr. Eden.—(Received December 10.)

(No. 593 E.) *Angora, December 4, 1936.*

Sir,

AS reported in my telegram No. 189 of the 2nd December, the final contract between the Sumer Bank and Messrs. Brasserts for the construction of an iron and steel plant at Karabuk was signed early in the morning of that day. Numerous last-minute appeals to mutual friendship were made by M. Faik Kurtoglu to induce Messrs. Brassert's representatives to agree to modifications of the contract, but these were firmly resisted. Owing to these activities, and to delays in translating the contract, Messrs. Brassert's representatives were kept waiting at the Ministry of National Economy from 5·30 to 12·30 A.M.

2. On the following evening the President of the Republic was dining at the same restaurant as Mr. Mackenzie and his colleagues. His Excellency sent for Mr. Mackenzie and conversed with him extremely cordially, emphasising, among other things, that he had personally told Dr. Schacht that he was wasting his time in trying to obtain the Karabuk contract, as he (the President) was determined that it should go to the English firm. Later he went to Mr. Mackenzie's table, with the Minister of National Economy, and made a short speech expressing satisfaction at the conclusion of the contract.

3. I have the honour to enclose a translation of the press notice which appeared in the *Ulus* of the 2nd December.(1)

4. Subsequent issues of the *Ulus* record, with pride, Mr. Mackenzie's statements that the "City" now fully recognises the eminent position which Republican Turkey has won for herself in the world; that any foreigner may confidently take up any contract in Turkey, and that His Majesty's Government and the "City" have opened a credit for Turkey, for the first time in Turkey's history.

5. I am sending a copy of this despatch to the Department of Overseas Trade.

I have, &c.
PERCY LORAINE.

(1) Not printed.

[E 7720/1378/44] No. 95.

Bay Fethi Okyar to Mr. Eden.—(Received December 11.)

Ambassade de Turquie, Londres,
le 10 décembre 1936.

M. le Secrétaire d'État,

JE suis instruit par mon Gouvernement de présenter à votre Excellence l'expression de sa profonde appréciation de la réception si chaleureuse et si cordiale accordée à l'escadre turque lors de sa récente visite à Malte. Les officiers et les marins de la flotte turque ont rapporté un impérissable souvenir de cette visite, qui a raffermi les liens d'amitié qui existent si heureusement entre les deux flottes et les deux pays.

Je serais reconnaissant à votre Excellence si elle voulait bien transmettre l'expression de cette gratitude, à laquelle je me permets de joindre la mienne, à l'Amirauté britannique et aux autorités navales, militaires et administratives de Malte.

Je saisis, &c.
FETHI OKYAR.

[A 10085/4671/45] No. 96.

Memorandum communicated to the Counsellor of the German Embassy by Sir R. Craigie, December 15, 1936.

IN paragraph 1 (*a*) of their memorandum of the 5th October the German Government state their "regret that, after the conclusion of the Franco-Soviet Military Alliance, they must also regard the French and Soviet navies as one unit in the event of war." Somewhat similar observations occur in other passages of the memorandum.

His Majesty's Government in the United Kingdom feel obliged to state that, as far as they are concerned, they cannot accept this description of the Franco-Soviet Treaty. They have satisfied themselves that this treaty is a mutual guarantee treaty involving no obligations in conflict with the Covenant of the League or the Treaty of Locarno. It is in consequence purely defensive in its action, and the military co-operation between Russia and France for which it provides will only be instituted in order to resist an act of unprovoked aggression against either of the two parties. In this sense only can it be described as a "military alliance." His Majesty's Government could not, therefore, accept the view that the German naval position has been prejudiced by the treaty, and still less could they agree that, as a result of it, the French and Soviet navies must in all circumstances be considered as one unit in the event of war. This could only be true, for the reasons given above, in a case where war had arisen out of an act of unprovoked aggression against either of these countries. Equally, they could not accept the implication in the German note that the treaty is directed against Germany in such a manner as to necessitate on her part the adoption of measures of defence against aggression by both of the parties to the pact.

In the same paragraph the German Government deal with the question of the refortification of the Dardanelles. The argument here appears to be that, as a consequence of this refortification and of the close relations which now exist (or might in a time of crisis be found to exist) between the Soviet Union and Turkey, the Soviet Union is (or would be) in a position to send her Black Sea fleet to other waters and leave the defence of her Black Sea coasts to Turkey, secure in the knowledge that the forces of the latter, supported by the fortifications in the Straits, would be able to defend those coasts as effectively as the Soviet fleet itself could do.

This argument has been dealt with in the concluding paragraphs of the unofficial aide-mémoire which was communicated to the German Embassy in London on the 28th October, and which examines in detail the effects of the Montreux Convention and of the refortification of the Straits, in relation both to the Soviet Union and to the non-Black Sea naval Powers. His Majesty's Government do not for the moment propose to do more than invite the attention of the German Government to the views set forth in that aide-mémoire, which will, they hope, convince the German Government that there are no grounds for holding that the fortification of the Dardanelles has altered the situation to the advantage of the Soviet Union or the disadvantage of Germany. If there are any points upon which the German Government, after a perusal of the aide-mémoire, still feel doubt or uncertainty, His Majesty's Government will be glad to furnish any further explanation of their views which may be required.

His Majesty's Government wish to take this opportunity, however, of dealing with one point not specifically covered by the aide-mémoire. It is stated in the memorandum of the 5th October, 1936, that the Soviet Black Sea fleet is no longer confined to the Black Sea "in view of the Turco-Soviet Pact of Friendship of 1925 and the Franco-Soviet Military Alliance." His Majesty's Government assume that the implication is that the effect of the treaty of 1925 is to make Turkey a party to the Franco-Soviet Pact. His Majesty's Government cannot accept this view. The treaty of 1925 provides for Turkish neutrality in the event of a war in which the Soviet Union is engaged, but it is not a pact of mutual assistance, and (apart from cases covered by article 25 of the Montreux Convention) it is only a pact of mutual assistance to which she is a party that can confer upon Turkey the right to afford passage to a belligerent under article 19 (2) of the convention. Turkey could not, therefore, allow the Soviet fleet to pass through the Straits either on the strength of this treaty alone, or on the strength of the Franco-Soviet Pact alone, or on the strength of the two combined. Equally, neither of these pacts, nor even—which is much more important—a pact of mutual assistance to which Turkey was a party, would entitle Turkey to forbid the passage of the Straits to a Power which was otherwise entitled to freedom of passage under the convention even if that Power were at war with the Soviet Union. There is clearly, therefore, no provision in the Montreux Convention to justify the reference of the German Government to these instruments.

His Majesty's Government desire in addition to draw the particular attention of the German Government to those passages in the aide-mémoire communicated on the 28th October which refute the suggestion that the new transit provisions of the Montreux Convention signify a closing of the Dardanelles to non-riparian States alone. On the contrary, one of the most important features of the new convention is that in time of war when Turkey is neutral the Straits are closed, in the absence of certain special circumstances, to all belligerents alike; and it may be added that, inasmuch as the Lausanne Convention contained no similar restriction, the effect of the new regulations is to place a considerable restraint upon Soviet naval strategy. That this is so is evident from the fact that freedom of passage through the Straits must clearly be of greater importance to the Soviet Union, for whom victory in war might in certain circumstances depend upon the ability to transfer naval forces from the Black Sea to the Baltic or the Far East, or *vice versa*, than it can be for a non-Black Sea naval Power at war with the Soviet Union, which would rarely desire in practice to carry out so risky a strategical operation as the despatch of a fleet from the Mediterranean into the Black Sea without active Turkish co-operation. If Turkey is, or becomes, a belligerent on one side or the other, the problem naturally changes. But even as a belligerent, Turkey obtains under the Montreux Convention no new right *vis-à-vis* of other belligerents which she did not already possess under the Lausanne Convention.

Foreign Office, December 15, 1936.

[A 9962/4983/45] No. 97.

Mr. Eden to Sir P. Loraine (Angora).

(No. 177.)
(Telegraphic.) *Foreign Office, December* 17, 1936.

MY telegram No. 167 of 5th December: Anglo-Turkish naval conversations.

Anglo-Turkish naval conversations opened at the Foreign Office on 14th December and further meetings are being held. Up to the present the only difficulty has been a reservation by Turkish Government to the effect that, to safeguard their national security and to counterbalance construction by neighbouring Powers, they should have right to build sub-category (*a*) cruisers. Difficulties which such a reservation would create have been fully explained to the Turkish delegation, and it is hoped that, failing withdrawal of reservation, satisfactory compromise solution may be found.

Copies of records of all meetings will be sent to you by bag.